

**State of Illinois
DEPARTMENT OF HUMAN SERVICES**

**COMPLIANCE EXAMINATION – CENTRAL OFFICE
AND DEPARTMENT-WIDE FINANCIAL AUDIT**

For the Two Years Ended June 30, 2007

**Performed as Special Assistant Auditors for
the Auditor General, State of Illinois**

Sikich LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

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**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

AGENCY OFFICIALS

Secretary	Carol L. Adams, Ph.D.
Assistant Secretary	Francisco DuPrey (Through 12/15/06) Catalina Soto (Effective 3/16/07)
Assistant Secretary	Grace Hou
Budget Director	Robert Brock
Business Services Director	Steven Richie (Through 8/8/07) Hero Tameling (Acting, Effective 8/8/07)
Chief of Staff	Teyonda Wertz
Chief Financial Officer	Robert Stanek
Chief Operational Officer	Jerome Butler
Contract Administration Manager	David Hanbury (Through 12/31/05) Sally Hardwick (Acting, Effective 12/22/05)
State Purchasing Officer	Dina Arrigo (Through 1/31/06) Curtis Thompson (Acting, Effective 2/1/06)
Fiscal Services Director	Solomon Oriakhi
Human Resources Director	Elizabeth Gil
Management Information Services Chief	Gerry Mitchell (Acting, Through 5/31/06) Robert Daniel (Effective 6/1/06)
Office of Community Relations Director	Tracey Scruggs Yearwood (Through 10/26/07) Aurelio Huertas Fabrizio (Acting, Effective 10/29/07)
Chief Legislative Liaison	LaToya Price-Childs (Through 3/30/07) Randy Wells (Effective 4/2/07)
Assistant for Compliance Access and Workplace Safety	Audrey McCrimon

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

AGENCY OFFICIALS - Continued

Hispanic/Latino Affairs Director	Mireya Hurtado (Through 7/16/07) Agueda Corona (Effective 7/16/07)
General Counsel	Lauretta Higgins-Wolfson (Through 12/8/06) Mary-Lisa Sullivan (Acting, Effective 12/19/06)
Inspector General	Sydney Roberts (Through 7/29/05) Robert Furniss (Acting, Effective 7/29/05 through 2/21/06) Bill Davis (Effective 2/21/06)
Office of Strategic Planning and Performance Management Director	Ronald Carter (Through 1/30/07) Gregory Diephouse (Acting, Effective 9/1/07)
Office of Alcoholism and Substance Abuse Director	Theodora Binion-Taylor
Office of Rehabilitation Services Associate Director	Rob Kilbury
Office of Community Health and Prevention Director	Steven Guerra (Through 5/31/06) Ivonne Sambolin-Jones (Effective 7/30/07)
Office of Developmental Disabilities Director	Jeri Johnson (Through 12/29/06) Rita Hoskin (Acting, Effective 1/1/07 through 5/21/07) Lilia Teninty (Effective, 5/21/07)
Office of Mental Health Director	Lorrie Rickman-Jones, Ph.D.
Office of Clinical, Administrative and Program Support Manager	Jim Hobbs
Office of Human Capital Development Director	Marva Arnold
Grant Administration Director	Sharon Zahorodnyj
Agency main offices are located at: 100 South Grand Avenue, East Springfield, Illinois 62762	501 South Clinton Street Chicago, Illinois 60607



Rod R. Blagojevich, *Governor*

Illinois Department of Human Services

Carol L. Adams, Ph.D., *Secretary*

100 South Grand Avenue, East • Springfield, Illinois 62762
401 South Clinton Street • Chicago, Illinois 60607

MANAGEMENT ASSERTION LETTER

May 22, 2008

Sikich LLP
1000 Churchill Road
Springfield, IL 62702

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Agency. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Agency's compliance with the following assertions during the two-year period ended June 30, 2007. Based on this evaluation, we assert that during the years ended June 30, 2006 and June 30, 2007, the Agency has materially complied with the assertions below.

- A. The agency has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. Other than what has been previously disclosed, the agency has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. Other than what has been previously disclosed, the agency has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the agency are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.

- E. The money or negotiable securities or similar assets handled by the agency on behalf of the State or held in trust by the agency have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Illinois Department of Human Services



Carol L. Adams, Ph.D.
Secretary



Robert Stanek
Chief Financial Officer



Mary-Lisa Sullivan
General Counsel

COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

INTRODUCTION

As noted in the introduction to the Notes on Financial Related Data, our scope as special assistant auditors to the Auditor General is defined as follows:

- a. State compliance testing of the Central Office, which included certain decentralized locations funded through appropriations to the Central Office for the two years ended June 30, 2007.
- b. An audit of the Department of Human Services' financial statements leading to an opinion on the financial position and results of operations for the year ended June 30, 2007.
- c. State compliance testing of all appropriations to the Department of Human Services for travel expenditures, printing expenditures, equipment expenditures, electronic data processing expenditures, telecommunications expenditures, operation of automotive equipment expenditures, and lapse period expenditures for the two years ended June 30, 2007.

The findings that follow are the result of the compliance testing we performed. This report does not include findings developed by other special assistant auditors performing testing at the individual Mental Health and Developmental Centers, Center for Rehabilitation and Education – Roosevelt, and Schools for the Deaf or Visually Impaired. Any findings developed by these special assistant auditors are reported in their separate reports.

Any findings regarding procedural or administrative matters relating to all facilities are included in this report.

ACCOUNTANTS' REPORTS

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations or disclaimers, but contained report qualifications for compliance and internal control.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	31	37
Repeated findings	16	17
Prior recommendations implemented or not repeated	21	19

Details of findings are presented in a separately tabbed report section.

SUMMARY OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
<i>FINDINGS (GOVERNMENT AUDITING STANDARDS)</i>		
1	17	Liabilities payable from future appropriations overstated
2	19	Consolidated services payments made without sufficient supporting documentation
3	21	Unrecorded and unreported locally held bank accounts
4	23	Inadequate controls over commodities
5	27	Inadequate controls over capital asset financial reporting
<i>FINDINGS (STATE COMPLIANCE)</i>		
6	30	Failure to comply with Medicare and Medicaid certification requirements
7	32	Internal control weaknesses in the Home Services Program
8	35	Inadequate security administration function
9	38	Inadequate procedures for disposal of confidential information
10	40	Noncompliance with Personal Information Protection Act
11	42	Inadequate controls over receipts
12	45	Weaknesses in administering the Gaining Early Awareness and Readiness for Undergraduate Program
13	47	Commodity inventory system outdated and insufficient for user needs
14	49	Lack of physical control over State property
15	51	Inadequate controls over accounts receivable
16	53	Weaknesses over quarterly reporting of accounts receivable

SUMMARY OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (STATE COMPLIANCE) – Continued		
17	55	Untimely signing and execution of written contract agreements
18	57	Inadequate planning for the purchase and installation of equipment
19	59	Filing erroneous emergency purchase affidavit in violation of the Illinois Procurement Code
20	60	Failure to timely determine the disposition of unspent grant funds
21	62	Inadequate recordkeeping for payroll and personnel files
22	64	Employee performance evaluations not performed on a timely basis
23	65	Weaknesses in maintaining documentation of temporary employee assignments
24	67	Deficiencies noted in Statements of Economic Interest filed with the Secretary of State
25	68	Inadequate records for State vehicles assigned to Department employees
26	71	Motor vehicle accidents not reported in a timely manner
27	73	Inconsistent application of fuel tax exemptions
28	75	Contingency planning weaknesses
29	78	Physical security weaknesses
30	80	Annual eligibility redeterminations for KidCare not being completed
31	81	Members not appointed to Advisory Board for Services for Persons who are Deaf-Blind in accordance with State law
PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING STANDARDS)		
32	82	Failure to bill resident accounts in a timely manner
33	82	Failure to claim Early Intervention costs and properly adjust financial statements

SUMMARY OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)		
34	82	Unexpended grant balance spent on unrelated programs
35	82	Weaknesses in the grant close out process and recovery of unspent funds in accordance with the Grant Funds Recovery Act
36	82	Circumvention of competitive procurement requirements in the Illinois Procurement Code
37	83	Modification of indemnification clauses without documented approval of the Department's Office of Legal Services
38	83	Inadequate loan receivable reporting for the Hansen-Therkelsen Memorial Deaf Student College Fund
39	83	Refunds not deposited in a timely manner
40	83	Time sheets not maintained in compliance with the State Officials and Employees Ethics Act
41	83	ICRE – Wood – Inadequate personnel development training
42	83	Inadequate controls over travel at the Central Office
43	83	Travel Headquarters Reports Form TA-2 not filed timely with Legislative Audit Commission
44	84	Programmer access to computer systems
45	84	Hiring and staffing policies at the Department's Treatment and Detention Facility
46	84	Staff resource allocation at the Treatment and Detention Facility
47	84	Weaknesses over timekeeping at the Treatment and Detention Facility
48	84	Inefficiencies in the business office at the Treatment and Detention Facility
49	84	Inadequate controls over telecommunications at the Treatment and Detention Facility

SUMMARY OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)		
50	85	Weaknesses in control over commodities at the Treatment and Detention Facility
51	85	Failure to fund the Illinois African-American Family Commission
52	85	Advisory council, committee, and board not meeting as required by State law

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on May 16, 2008. Attending were:

Department of Human Services

Roger Williams	Computer Security Manager, Management Information Systems
Peg Tanner	Deputy General Counsel
Dennis Erickson	Bureau Chief – Bureau of Collections/Fiscal Services
Deborah Loobey	Bureau of Revenue Management and Federal Reporting/ Fiscal Services
Eric Dailey	Bureau of Revenue Management and Federal Reporting/ Fiscal Services
Dan Blair	Division of Community Health and Prevention
Sally H. Adams	Office of Contract Administration
Brian Bond	Office of Contract Administration
Greg Primm	Bureau Chief – Bureau of General Accounting/Fiscal Services
Jamie Nardulli	Audit Liaison – Office of Fiscal Services
Albert Okwuegbunam	Audit Liaison – Office of Fiscal Services
Norma Jordan	Audit Liaison – Office of Fiscal Services
Robert Brock	Budget Director

Chicago Attendees:

Robert Stanek	Chief Financial Officer
Solomon Oriakhi	Fiscal Services Director

Governor's Office of Management and Budget

Marc Staley

Office of the Auditor General

Paul Usherwood	Audit Manager
Joe Gudgel	IS Audit Manager

Sikich LLP – Special Assistant Auditors

Andy Lascody	Partner
Matt Maynerich	Staff

Responses to the recommendations were provided by Solomon Oriakhi, Fiscal Services Director, in a letter dated May 19, 2008.



INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON SUPPLEMENTARY
INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined the State of Illinois, Department of Human Services' compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2007. The management of the State of Illinois, Department of Human Services is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Department of Human Services' compliance based on our examination.

- A. The State of Illinois, Department of Human Services has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois, Department of Human Services has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The State of Illinois, Department of Human Services has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the State of Illinois, Department of Human Services are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.

- E. Money or negotiable securities or similar assets handled by the State of Illinois, Department of Human Services on behalf of the State or held in trust by the State of Illinois, Department of Human Services have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois, Department of Human Services' compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Department of Human Services' compliance with specified requirements.

As described in findings 07-3, 07-4, 07-5, 07-6 and 07-8 in the accompanying Schedule of Findings, the State of Illinois, Department of Human Services did not comply with requirements regarding applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations. In addition, as described in finding 07-7 in the accompanying Schedule of Findings, the State of Illinois, Department of Human Services did not comply with requirements regarding obligating, expending, receiving and using public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law. Compliance with such requirements is necessary, in our opinion, for the State of Illinois, Department of Human Services to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraphs, the State of Illinois, Department of Human Services complied, in all material respects, with the requirements listed in the first paragraph of this report during the two years ended June 30, 2007. However, the results of our procedures disclosed other instances of noncompliance, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying Schedule of Findings as findings 07-1, 07-2, 07-9 through 07-16, 07-18 through 07-27, 07-30 and 07-31.

As required by the Audit Guide, immaterial findings relating to instances of noncompliance excluded from this report have been reported in a separate letter to your office.

Internal Control

The management of the State of Illinois, Department of Human Services is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the State of Illinois, Department of Human Services' internal control over compliance with the requirements listed in the first paragraph of this report in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and

report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Department of Human Services' internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Department of Human Services' internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and other deficiencies that we consider to be material weaknesses.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the requirements listed in the first paragraph of this report such that there is more than a remote likelihood that noncompliance with a requirement that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings as items 07-1 through 07-31 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings, we consider items 07-3 through 07-8 to be material weaknesses.

As required by the Audit Guide, immaterial findings relating to internal control deficiencies excluded from this report have been reported in a separate letter to your office.

The State of Illinois, Department of Human Services' response to the findings identified in our examination are described in the accompanying Schedule of Findings. We did not examine the State of Illinois, Department of Human Services' response and, accordingly, we express no opinion on it.

Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the State of Illinois, Department of Human Services as of and for the years ended June 30, 2006 and 2007, which collectively comprise the State of Illinois, Department of Human Services' basic financial statements and have issued our reports thereon dated December 14, 2006 and May 22, 2008. The accompanying supplementary information, as listed in the table of contents

as Supplementary Information for State Compliance Purposes, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the State of Illinois, Department of Human Services. The 2006 and 2007 Supplementary Information for State Compliance Purposes, except for that portion marked “unaudited” on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements for the years ended June 30, 2006 and June 30, 2007 taken as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States, the State of Illinois, Department of Human Services’ basic financial statements for the year ended June 30, 2005. In our report dated January 30, 2006, we expressed an unqualified opinion on the respective financial statements of the governmental activities, the major fund, and the aggregate remaining fund information. In our opinion, the 2005 Supplementary Information for State Compliance Purposes, except for the portion marked “unaudited” is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2005, taken as a whole.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, and agency management, and is not intended to be and should not be used by anyone other than these specified parties.

Schick LLP

Springfield, Illinois
May 22, 2008



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the State of Illinois, Department of Human Services (the Department), as of and for the year ended June 30, 2007, which collectively comprise the Department's basic financial statements and have issued our report thereon dated May 22, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Department's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting

principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying Schedule of Findings as items 07-1 through 07-5 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 07-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We also conducted a State compliance examination of the Department as required by the Illinois State Auditing Act. The results of that examination are reported in the accompanying Schedule of Findings as items 07-6 through 07-31.

The Department's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the Department's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor and Department management, and is not intended to be and should not be used by anyone other than these specified parties.

Schick LLP

Springfield, Illinois
May 22, 2008

FINDINGS (GOVERNMENT AUDITING STANDARDS)

07-1 FINDING: (Liabilities payable from future appropriations overstated)

The Department of Human Services (Department) overstated liabilities payable in their financial records from future appropriations for two funds, the Community Mental Health Medicaid Trust Fund (Fund 0718) and the Early Intervention Services Revolving Fund (Fund 0502) at June 30, 2006 and June 30, 2007. Liabilities were overstated for Fund 0718 by \$20.963 and \$19.266 million for fiscal years 2006 and 2007, respectively. Liabilities were overstated for Fund 0502 by \$7.384 and \$10.000 million for fiscal years 2006 and 2007, respectively. The June 30, 2006 overstatements necessitated a restatement to correct the fund balance amount on the Department's financial statements at that date. The June 30, 2007 overstatements necessitated a current fiscal year auditor adjustment to the Department's financial records.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) notes State agencies shall establish and maintain a system of internal fiscal and administrative controls, which shall provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Department personnel stated in order to meet the Office of the State Comptroller's (Comptroller) deadline for preparing fund financial information, the Department's fiscal department had to rely on unsubstantiated data to record liabilities. Subsequent to the submission of the fund financial information (GAAP package) to the Comptroller, additional information to better compute the liabilities became available, it was then determined the amount originally reported for the liabilities should have been much less.

Because of the significance of the restatements and the Department's failure in the operation of its internal control to timely identify the errors, we are considering this to be a significant deficiency in the Department's internal control and a material weakness. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Department's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a misstatement of the financial statements will not be prevented or detected by the Department's internal control.

The Department proceeded to perform the same analysis in computing the estimated liabilities for June 30, 2007 and determined the same overstatement existed. When estimation is used to record financial statement amounts, a historical analysis should be performed to determine the reasonableness of the estimate. The estimate should be corroborated based on actual data as soon as information is available to determine if a correction to the estimate is necessary and to update the historical data for future reference. (Finding Code No. 07-1)

RECOMMENDATION:

We recommend Department personnel document their procedures, methodology and computations for determining estimated liabilities so the GAAP package preparer has documentation to review and can evaluate the reasonableness of the amount(s). In cases where the GAAP package preparer is relying on information submitted by other sources outside the Department, the Department should develop a historical analysis to determine the reasonableness of estimated liabilities and the methodology used.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation. The Department of Human Services, Office of Fiscal Services (OFS) will develop a process to more thoroughly evaluate the estimates that were used as backup for the liability calculations. OFS will also develop Consolidated Accounting Reporting System expenditure reports which will show the analysis of actual liability for the previous year, compare the estimated liability to actual liability and then determine if the estimation process needs to be modified. The net affect of the auditor adjustments on the State's total account payables is a decrease of \$29.935 million, a favorable adjustment.

07-2 FINDING: (Consolidated services payments made without sufficient supporting documentation)

The Department of Human Services (Department) made payments for information technology, press information officers, and facilities management (consolidated services) to the Department of Central Management Services (DCMS), without sufficient supporting documentation.

Public Act 93-25 authorized DCMS to consolidate Information Technology (IT) functions of State government. In addition, Public Act 93-839 authorized DCMS to consolidate Professional Services (Press Information Officers) of State government. As a result of the consolidations, DCMS billed the Department for those services rendered on its behalf.

During the engagement period, we reviewed a total of seventeen vouchers that contained billings for Information Technology and Press Information Officer's Management services and noted the following:

- We reviewed fifteen vouchers totaling \$13,555,400 for Information Technology services. Each month the Department received a statement indicating the total charged to the Department. The Department did not receive sufficient supporting documentation to ensure the charges were for services incurred on its behalf. The Department received individual timesheets from contractual employees and in some cases, a spreadsheet listing payroll charges; however, there was no detail to determine if the employee worked on behalf of the Department.
- We reviewed two vouchers totaling \$71,943 for services relating to Press Information Officer's Management that did not contain adequate supporting documentation. The support for the vouchers included only the electronic invoice generated from the Internet Billing System (IBiS) used by DCMS. The Department was unable to provide detailed documentation for the vouchers regarding actual time spent by Press Information Officers.

Executive Order 2003-10 authorized DCMS to consolidate the management of facilities. As a result, DCMS billed the Department for the operation and maintenance of facilities that they occupied. We reviewed twenty-five billings relating to facilities management totaling \$1,373,939. We noted the Department did not receive adequate supporting documentation for any of the twenty-five billings. The support for the facilities charges contained only the electronic invoice generated from the IBiS used by DCMS. There was no supporting documentation to explain the methodology for the billings regarding rates charged for facilities.

SAMS procedure 17.10.30 states, "Agency level pre-auditing is defined as an examination by the agency head or designated individual for the purpose of determining the legality and propriety of a proposed transaction or a transaction in process." Without proper detailed documentation being provided, the Department is approving billings while being unable to determine the propriety of the charges.

Department management stated they were not receiving detailed information for some of the billings from DCMS; however, the Department asserts it maintains a good working relationship with DCMS and communicates any issues regarding rates, charges, and pass-through billings.

Failure to obtain adequate supporting documentation could lead to the Department paying for goods and services not incurred on their behalf. (Finding Code No. 07-2)

RECOMMENDATION:

We recommend the Department obtain and review detailed documentation prior to paying for the consolidated services to ensure it is only paying for services incurred on its behalf by DCMS.

DEPARTMENT RESPONSE:

The Department partially agrees with the recommendation. The auditor's state there is insufficient documentation in three different areas, Facilities Management, Information Technology and for the Press Information Officer. For Facilities Management, the Department has the original leases and direct and indirect costs associated with each lease. DCMS did not provide an updated rate sheet for the leases in a timely manner, but the Department did communicate with DCMS regarding any variances and the Department did not pay any undocumented expenses. For Information Technology, the Department received a list of payroll charges by employee; however, during the audit period, DCMS did not provide the percentage of time allocated to the Department for each employee. In FY08, the Department is receiving the percentage of time allocated to the Department. Furthermore, the Department has contacted DCMS and has been informed that datasets exist, detailing employee program/project logs and time. The Department will continue to work with DCMS to determine the information available for extraction into a useable report format, to justify personal services and fringe benefit charges. Lastly, the Department will continue to work with DCMS to determine what information can be provided to support the charges for the Press Information Officer.

07-3 FINDING: (Unrecorded and unreported locally held bank accounts)

The Department of Human Services (Department) opened and operated five locally held bank accounts (accounts) without notifying the Office of the State Comptroller (Comptroller) of the establishment of the accounts, and then did not file the required quarterly reports with the Comptroller. In addition, the Department did not record the activity or related assets of the accounts on the Department's financial accounting records, and did not report the accounts to the Office of the Auditor General, as required by State law.

The Department has been administering the Vending Facility Program for the Blind (VFPB) Fund (No. 1385) since the inception of the Department on July 1, 1997. The VFPB Fund has actually been in existence since 1992 and is composed of three separate locally held bank accounts. However, the Department had not requested to establish the fund and locally held accounts or file the account reports with the Comptroller until June 2006. Receipts in the fund totaled \$2,572,164 and \$1,907,650 for fiscal years 2006 and 2007, respectively. Disbursements from the fund totaled \$2,641,755 and \$1,889,249 for fiscal years 2006 and 2007, respectively. The custodian of the funds is a third party fiscal agent for the program that provides accounting services for the VFPB. The accounts had balances of \$110,741 and \$129,142 at June 30, 2006 and 2007, respectively.

The Department also opened two other accounts without the proper authorization or notification. Department program personnel established the accounts during fiscal year 2007 to administer the redemption of vouchers for the WIC Farmers' Market Nutrition Program (CFDA No. 10.572) and the Senior Farmers' Market Nutrition Program (CFDA No. 10.576) which are both reported in the USDA Women, Infants and Children (WIC) Fund (No. 0700). It was determined the accounts had \$462,000 in cash at June 30, 2007 that was not included in the Department's financial records or appropriate reports regarding locally held accounts filed with the Comptroller. These two accounts have subsequently been closed.

The State Officers and Employees Money Disposition Act (Act) (30 ILCS 230/2a.2) states, "No officer or employee of the State shall create or maintain or participate in a trust fund or bank or savings and loan association deposit of any money received by him by virtue of his office or employment except as provided by law." The Act further states that for such accounts the Department "...shall immediately submit a report to the Auditor General identifying the trust fund or bank or savings and loan association deposit as well as the depository in which it is maintained." Failure to disclose the fund to the Auditor General is a direct violation of the Act, reduces the effectiveness of government oversight, and creates the potential for misstated financial statements at both the Department and Statewide level.

The Department did not file the Application to Establish or Dissolve a Fund (Form C-68) for the accounts and did not file the quarterly reports of Receipts and Disbursements for Locally Held Funds (Form C-17) as required by the Comptroller until 2006 for the

VFPB. For the two new accounts in the WIC Fund, the Department did not file the Application to Establish or Dissolve a Fund (Form C-68) for the accounts and included those accounts on the same report used for the WIC Redemption Fund (No. 1271) in the quarter following the quarter when the funds were established. The State Comptroller Act (15 ILCS 405/16) and the Comptroller's Statewide Accounting Management System (SAMS) (Procedures 09.10.40, 33.13.10 and 33.13.20) require each Agency to notify the Comptroller when establishing a locally held fund (Form C-68) and be responsible for preparing one report for each locally held fund that it maintains (Form C-17). The C-17 report is to be filed on a quarterly basis and shall be submitted to the State Comptroller within 30 days after the last day of quarter.

Department management indicated the VFPB Fund accounts had not previously been reported due to oversight. It was also indicated the two accounts in the WIC Fund were not reported or recorded as a result of program personnel opening the accounts without inquiring of the fiscal services staff the proper procedures.

Because of the significance of the exceptions noted, specifically the weaknesses in establishing, reporting and recording locally held bank accounts, we are considering this to be a significant deficiency in the Department's internal control over State compliance and a material weakness. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Department's ability to comply with applicable laws and regulations, including the uniform accounting system, in its financial and fiscal operations. A material weakness is a significant deficiency or combination of significant deficiencies that result in more than a remote likelihood that material noncompliance will not be prevented or detected by the Department's internal control.

Failure to file the C-68 and C-17 reports is a violation of State law and SAMS procedures, reduces the effectiveness of government oversight, and increases the potential for misstated Department and Statewide financial information (Finding Code No. 07-3)

RECOMMENDATION:

We recommend the Department comply with State law and Comptroller's SAMS procedures with respect to establishing, reporting and recording locally held bank accounts and the related activities. Further, the Department should make program personnel aware of the laws and regulations governing its activities so any new locally held accounts are properly established, reported and included in the Department's financial records.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation. The Department will issue an Administrative Directive detailing the procedures for reporting any bank account changes. The Chief Financial Officer will approve all new or changed bank accounts within the Department. The Bureau Chief of General Accounting will maintain a list of all bank accounts within the Department.

07-4 FINDING: (Inadequate controls over commodities)

The Department of Human Services (Department) does not maintain an adequate centralized oversight function over commodities, resulting in inadequate controls; this also includes improperly recording the value of the commodity inventory on the Department's Warehouse Control System (WCS). Inventory control includes responsibilities at individual facilities, multiple warehouses, and Central Office locations.

During testing, we noted several exceptions and weaknesses over commodities inventories. We performed tests at various Central Office locations including warehouses while other special assistant auditors performed tests at certain facilities, schools, and centers. The following inventory problems were identified during testing at inventory sites:

- At one facility (W.G. Murray Developmental Center) the auditors were not able to determine the propriety of recorded inventories totaling \$497,607.
- Sixteen sites were tested with discrepancies and/or weaknesses noted at 12 (75%) of these sites.
- Manual adjustments were made for financial statement purposes for 10 facilities. One facility required an inventory reduction adjustment of \$439,784 after the year-end reports were printed. The facility did not record coal usage which accounted for \$411,688 of the adjustment.
- Testing at the sites revealed problems related to inadequate written inventory procedures, inadequate segregation of duties, failure to make timely adjustments to inventory records, counts that could not be reconciled, inadequate records supporting additions or withdrawals from inventory, and areas being disorganized.
- At least one facility operated an independent system, which was a duplication of effort.

We reported similar exceptions at the Department in the previous reports. An analysis summarizing the exceptions identified in the current and past 2 reports is noted in the following table:

Inventory Exceptions	Two Years Ending June 30,		
	2007	2005	2003
Unable to determine propriety of inventory balance	X	X	
Discrepancies / weaknesses noted in inventory balance	X	X	X
Facilities failed to inventory pharmaceuticals		X	X
Manual adjustments required for financial reporting	X		
Overstocking of commodities		X	X
Lack of or inadequate written inventory procedures	X	X	
Inadequate segregation of duties	X	X	
Failure to make timely adjustments to inventory records	X	X	
Counts that could not be reconciled	X	X	
Inadequate records supporting inventory changes	X	X	
Inventory storage areas were disorganized.	X	X	
Duplicate system used to track inventory	X	X	

The WCS is the computer system used to track and value inventory at the Springfield and Chicago warehouses, which had a reported value of \$1,499,115 at June 30, 2007. During our testing at the two Central Office warehouses, we noted problems with 11 of 60 (18%) items selected from WCS for testing.

Similar problems were noted with the WCS during the previous four engagements. Although the Department has initiated procedures to review and monitor commodity costs, several errors or omissions were noted, including internally printed items. We noted the following problems during this engagement:

- The Department was unable to provide supporting documentation in the form of vendor invoices for 2 of 60 (3%) items. These items were purchased by a legacy agency and invoice documentation is not maintained by the Department of Human Services.
- The Department incorrectly entered unit price for 4 items, including one entered as \$145 per unit, but the correct price was \$157 per unit.
- The Department could not support the unit price for 1 item that was internally printed. This error resulted from failure to maintain adequate supporting documentation.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) notes State agencies shall establish and maintain a system of internal fiscal and administrative controls, which shall provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources. In addition, generally accepted

accounting principles require the proper valuation and control over annual physical inventory processes to ensure complete and accurate inventories for financial reporting purposes. An improved oversight function would allow the Department to increase the accuracy of reported inventory balances and reduce deficiencies in internal control over maintaining inventory.

The Department stated they have established a centralized oversight for commodities; however, staffing shortages and the outdated system continue to contribute to the weaknesses noted for commodity inventories.

Because of the significance of the exceptions noted, specifically the overall weaknesses in the inventory and oversight function over commodities, we are considering this to be a significant deficiency in the Department's internal control over State compliance and a material weakness. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Department's ability to comply with applicable laws and regulations, including the uniform accounting system, in its financial and fiscal operations. A material weakness is a significant deficiency or combination of significant deficiencies that result in more than a remote likelihood that material noncompliance will not be prevented or detected by the Department's internal control.

Strong internal controls would require an improved centralized oversight function related to commodities. This is important considering the Department made commodities expenditures of \$43.450 million during fiscal year 2007. In addition, the Department recorded ending commodities inventories of \$10.070 million at June 30, 2007. (Finding Code No. 07-4, 06-2, 05-2, 03-15, 03-17, 01-9 and 99-14)

RECOMMENDATION:

We recommend the Department improve its centralized oversight function related to commodities to allow for strengthened controls, which will also help ensure all inventory unit costs are properly recorded on WCS. We also recommend the Department develop a standardized cost accounting system for all internally printed materials to ensure all costs associated with an item are properly recognized.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation. The Department has made significant effort and progress regarding commodity inventories. The Office of Business Services (OBS) established a centralized oversight function to monitor commodity system user's activities, conduct site visits to spot check performance, provide time lines for required procedures, and provide support to all users when needed. The Chief Financial Officer conducts meetings prior to the annual inventory counts to coordinate dates for all locations to conduct the annual inventory process. Procedures are reviewed and

distributed, along with the time lines, to each location that has a warehouse. OBS will update its procedures reference, calculating unit costs, for internally printed materials to ensure that the calculations are done on an annual basis and that the backup documentation for those calculations is kept on file both physically and electronically to ensure unit costs can be verified. OBS will also perform random checks of the data entry so that any required corrective action(s) are completed in a timely manner.

07-5 FINDING: (Inadequate controls over capital asset financial reporting)

The Department of Human Services (Department) lacks controls to ensure all capital assets are included in its year end accounting reports (GAAP Package Forms) submitted to the Office of the State Comptroller (Comptroller). In addition, the Department's capital asset GAAP Package Forms contain several accounts that are not supported by the Department's capital asset accounting records.

During our testing, we noted the following weaknesses with the capital asset reporting system:

- The Department does not have procedures to analyze its repairs and maintenance accounts to determine if certain expenditures should be capitalized for GAAP Package Form reporting purposes. We noted numerous items that should possibly be capitalized as building or site improvements, but were not. Some specific items noted were as follows:
 - Replace a turbine at power plant at Jacksonville Developmental Center \$ 75,352
 - Replace compressor at Illinois School for the Deaf 30,547
 - Parking lot blacktop and repairs and replacement at Singer Mental Health Center 30,000
 - Installation of pumps at power house at Shapiro Mental Health Center 26,200
 - Construct smoking shelters at McFarland Mental Health Center 25,999

We noted several other expenditures that could possibly be capitalized, but could not make a determination without additional information from engineers at specific Department sites.

Department officials stated the Department's Property Control Unit (PCU) monitors expenses classified as equipment and permanent improvements on a weekly basis to determine the additions that should be capitalized. They stated the PCU did not realize the repairs and maintenance account should be analyzed. If any of these purchases exceed the capitalization thresholds as noted in the Comptroller's Statewide Accounting Management System (SAMS) (Procedure 03.30.30), then capital assets are understated in the GAAP Package Forms, *SAMS to GAAP Reconciliation – Capital Assets* (SCO-537) and the *Capital Asset Summary* (SCO-538).

- Several accounts on the SCO-537 and SCO-538 forms could not be traced to supporting records. For example, the Department knew beginning accumulated depreciation and ending accumulated depreciation balances for equipment. They “plugged” the \$4.5 million change to accumulated depreciation deletions and \$-0- to additions (depreciation expense) for the year.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) notes State agencies shall establish and maintain a system of internal fiscal and administrative controls, which shall provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources

Department officials stated if additions, deletions, or net transfers are unknown, then the overall net change is used to get to an ending balance that agrees to the Department’s property and equipment records. Department records do not always easily reflect the components of addition, deletions, and net transfers.

Because of the significance of the exceptions noted, specifically the weaknesses in the capital asset financial reporting, we are considering this to be a significant deficiency in the Department’s internal control over State compliance and a material weakness. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Department’s ability to comply with applicable laws and regulations, including the uniform accounting system, in its financial and fiscal operations. A material weakness is a significant deficiency or combination of significant deficiencies that result in more than a remote likelihood that material noncompliance will not be prevented or detected by the Department’s internal control.

An important element of internal control is the accurate review, reconciliation and reporting of accounting data. In addition, the Comptroller’s SAMS (Procedure 27.20.38) requires a State agency to report capital assets and related accumulated depreciation. (Finding Code No. 07-5)

RECOMMENDATION:

We recommend the Department implement procedures to review repair and maintenance expenditures to ensure capital assets are recorded in an accurate and complete manner. In addition, the Department should review and revise, as necessary, its current system of gathering property control information to improve the accuracy of its property system records and devote necessary personnel to these tasks.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation. The Department of Human Services Property Control Unit (PCU) has developed a Consolidated Accounting Report (CARS) Crystal Report criterion to pull information for questioned detail object codes for ongoing review by the PCU. To ensure the Department's fixed assets are in compliance, a complete review of the FY06/07 paid vouchers with detail object codes identified by the auditors are being reviewed to identify any expenditures that should have been capitalized. In addition, these detailed object codes have been added to the CARS' Crystal Report, used by this office to review paid expenditures for required entry.

FINDINGS (STATE COMPLIANCE)

07-6 FINDING: (Failure to comply with Medicare and Medicaid certification requirements)

Two of the Department of Human Services (Department) Centers failed to comply with requirements to be certified as eligible Medicare or Medicaid service providers. As a result, the centers were decertified during the audit period which means the Department cannot bill and be reimbursed for certain services. There is an immediate and continuing loss of revenue until the centers are recertified. Failure to maintain eligible Medicare and Medicaid status not only results in lost revenue in the State, but is indicative of a diminished level of care for residents of these facilities.

The certification of State operated Centers (or facilities) is administered by different organizations depending on the type of center. Mental health centers must comply with requirements reviewed by the Centers for Medicare and Medicaid Services, and the developmental disability centers must comply with requirements reviewed by the Illinois Department of Public Health. The certification requirements are numerous and complex.

The Tinley Park Mental Health Center (Tinley) received notification its Medicare provider agreement terminated effective February 23, 2007. The Howe Developmental Center received notification it would be terminated from the program effective March 8, 2007. Both of the centers were subject to several site visits, each containing serious compliance violations. Despite opportunities to rectify the violations, the Department was unable to comply.

Department officials stated the violations were the result of inadequate administrative oversight for one center. For the other center, the Department was unable to maintain the quality of staff due to the anticipated closure of the facility.

Because of the significance of the failure in the operations of the Department's internal control to maintain the Medicaid and Medicare certification at the Centers, we are considering this to be a significant deficiency in the Department's internal control over State compliance and a material weakness. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Department's ability to comply in all material respects, with applicable laws and regulations, including the States uniform accounting system, in its financial and fiscal operations. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance will not be prevented or detected by the Department's internal control.

Although the Centers continue to provide services, certain services are no longer eligible for federal funding / reimbursement. The costs will be funded solely from State appropriations. Residents may be transferred to other State-operated centers or to non-State providers making it harder for residents or patients in those parts of the State

seeking services to obtain them. Department personnel estimated the lost revenue for the audit period was approximately \$50 thousand for one center and from \$4 to \$29 million for the other center. The Department plans to seek certification for both centers during fiscal year 2008. (Finding Code No. 07-6)

RECOMMENDATION:

We recommend the Department continue its efforts to apply for certification of Medicare and Medicaid services at its two facilities that were decertified during fiscal year 2007. In addition, the Department should ensure the remaining facilities are in compliance with certification requirements to ensure continued funding status.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation.

Howe Developmental Center:

Efforts to date to implement the recommendation include:

Replacing the leadership of the facility to assure accountability and sound administrative oversight; hiring nationally recognized consultants to provide technical assistance and training on all aspects of ICF/MR rules, regulations and service standards; and developing a plan of correction. The new leadership of the facility is currently in the process of assessing the Center's progress toward implementing the plan of correction. At the point it is determined that the plan has been fully implemented, the Department will apply for certification for Medicaid services.

Tinley Park Mental Health Center:

Tinley Park Mental Health Center reapplied for recertification with the Centers for Medicare and Medicaid Services. They are expected to be re-surveyed around June 2008. Tinley Park Mental Health Center was able to move the facility from decertification from Joint Commission to conditional accreditation. The Joint Commission is expected to come for survey around June 2008. Hospital Standards were developed for all facilities focusing on high risk areas that may lead to decertification. Peer reviewers, together with the Central Office Quality Management staff, review each facility twice a year. This was initiated in 2007.

07-7 FINDING: (Internal control weaknesses in the Home Services Program)

During our testing we noted numerous internal control weaknesses in the Department of Human Services (Department) Home Services Program (HSP) managed by the Department's Division of Rehabilitation Services (DRS). These deficiencies were also noted in a previous agency management review.

The Home Services Program allows individuals with disabilities (customers) who are at risk of placement in a nursing home to remain in their homes. According to the Department, this is accomplished through use of a variety of services, the most prevalent of which is the use of individual caregivers known as personal assistants. During fiscal years 2006 and 2007, the Home Services Program maintained 43 offices and, over the course of those two years, on behalf of the customers, paid 37,870 personal assistants at a cost of \$275,735,651 and paid 37,844 personal assistants at a cost of \$298,964,556, respectively. Personal assistants are hired, supervised, and fired by the customer. The customer may hire a relative or other acquaintance as a personal assistant. Because the customer approves timesheets, and Department reviews are not adequate, personal assistants may be paid for excessive hours. The HSP division also has a fraud division that was established to identify and address fraudulent activities in this area.

During the prior engagement period, the Department hired an independent contractor (public accounting/consulting firm) to review controls over the Home Services Program for the purpose of enhancing controls. The independent review noted numerous internal control weaknesses in the program.

We noted through our testing and discussions with HSP and fraud division personnel that the following weaknesses were still prevalent during the current engagement period:

- The Home Services Program relies on the customer under an "honor system" to guard against abuse and to ensure compliance. The customer is responsible for approving and signing their personal assistant's timesheet. The supervisor reviews a sample of the case files, but not all timesheets are reviewed.
- HSP management stated during fiscal year 2006, the Quality Assurance Unit assumed responsibility for reviewing case files for compliance with program requirements. The Quality Assurance Unit reviews between 150-175 case files per month. This is an average of 3-4 case files each month per office. This review process results in less than 10% of case files being reviewed each year which is not adequate to ensure staff are compliant with program requirements.
- There were inconsistencies throughout the local offices in the supervisor's monitoring of the counselors' activities. We noted several supervisors utilize GroupWise calendars, scheduling boards, and frequent interaction with the counselors to ensure they are performing their job duties. Other supervisors indicated their counselors are senior level and do not require monitoring. They rely primarily on a scheduling board to know what counselors are doing and will follow up if they receive any complaints.

- There was insufficient monitoring of case files to ensure program objectives were being met. There is only one supervisor at each of the 43 local offices to monitor Home Services Program activities. On average, each supervisor was responsible for approximately 780 case files during fiscal year 2006 and 785 case files during fiscal year 2007. On average, local offices typically have four districts with one counselor per district. HSP management stated statewide average caseload per counselor is between 200 and 300 cases. Beginning in fiscal year 2006, the Quality Assurance Unit was established and became responsible for reviewing case files for compliance with program requirements. In fiscal year 2006 and fiscal year 2007, they reviewed 150 to 175 case files per month. This means that approximately 3 to 4 case files are being reviewed per month in each local office.
- There are insufficient controls in the payroll system for processing of the personal assistants' payroll. HSP management stated the Home Services' CPS payroll system allows coordinators to override controls to process payroll without taking additional steps or obtaining approval from the counselor or the supervisor when the hours budgeted for the customer have been exceeded. HSP management stated in some instances, personal assistants have faxed and mailed the same timesheet for a payroll period. The CPS system allows the coordinator to possibly pay the personal assistant twice for the same period. When this occurs, the coordinator receives the same error message as when the budgeted amount for the customer has been exceeded, which can be overridden without supervisory review.

Department officials stated they had concerns regarding the controls within this program due to staff discovery of instances of fraud and abuse.

Because of the significance of the exceptions noted, specifically the overall weaknesses identified in Home Services Program, we are considering this to be a significant deficiency in the Department's internal control over State compliance and a material weakness. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the Department's ability to obligate, expend, receive and use public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law. A material weakness is a significant deficiency or combination of significant deficiencies that result in more than a remote likelihood that material noncompliance will not be prevented or detected by the Department's internal control.

Adequate review, monitoring and staffing are important to provide internal controls over the Home Services Program due to the size and decentralization of the program. (Finding Code No. 07-7, 05-4)

RECOMMENDATION:

We recommend the Department implement procedures to strengthen internal controls over the Home Services Program as follows:

- Implement controls to monitor the timekeeping process for personal assistants.

- Review the function of the Quality Assurance Unit as it relates to the Home Services Program. The review of three to four case files per month is clearly inadequate and should be increased to allow for broader coverage.
- Due to the size of the program and the caseload that each counselor maintains, counselors do not visit or monitor customers as necessary. The Department should allocate resources so that the caseload per counselor can be reduced to a lower level, or alternative controls should be implemented.
- Coordinators should be strictly prohibited from over-riding system controls with respect to personal assistants' budgeted hours. Local offices should also implement a segregation of duties in a coordinator position.
- Local offices should implement a procedure to only accept hand delivered or mailed original, signed in ink, timesheets to prevent double entry to the payroll system. Additionally, all payroll mistakes should be reported to Division of Rehabilitation Services MIS payroll processing so the Department can maintain accurate customer expenditure reports.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation. The Division of Rehabilitation Services (DRS), Home Services Program will investigate alternate methods to monitoring timekeeping for Personal Assistants (PAs) for a cost effective and practical method of time monitoring for the PAs serving DRS customers. DRS will review the work of the Quality Assurance (QA) unit and will perform reviews on cases, based on generally accepted sampling size calculations, to create a confidence level exceeding 95% in the accuracy of the reviews for the statewide population to determine compliance with program directives. In addition, QA will conduct targeted reviews based on the results of the traditional reviews. DRS will work to ensure that active case loads are less than 250 cases per professional staff in each office. When caseloads exceed this limit, DRS will work through various options to supplement staffing to bring the staff to customer ratio back to the acceptable level. DRS will also review the computer system controls regarding the ability to override budgetary controls to determine if it is possible, as well as practical to implement this recommendation. As part of its review of alternate methods for timekeeping monitoring, DRS will review systems for the ability to prevent duplicate entry of time sheets to prevent duplicate payment.

07-8 FINDING: (Inadequate security administration function)

The Department of Human Services (Department) did not have an adequate security administration function.

Although the Department had established several security-related administrative directives, it failed to establish a structured security administration function, which contributed to several security weaknesses. For example, we found the Department failed to:

- Establish a centralized security administration function and process for responding to security incidents, which contributed to miscommunication among security personnel regarding who was responsible for security incident follow-up, reporting and notification, and the Department's Chief Privacy Officer and MIS Security Officer not being made aware of all computer loss or thefts, which may have resulted in the unknown breach of confidential information;
- Establish detailed physical security requirements and guidelines, which resulted in a breakdown of physical security at some Department facilities (see finding 29, Physical Security Weaknesses);
- Enforce security policies and establish a formal security awareness program, which contributed to improper disposal and loss/theft of confidential information from stolen laptops from Service Coordinators' automobiles (see finding 9, Inadequate Procedures for Disposal of Confidential Information);
- Establish a formal process for assuring prompt assessment and subsequent notification of security breaches (see finding 10, Noncompliance with Personal Information Protection Act).

We also found the Department had not performed a security assessment to identify all confidential information, both electronic and hardcopy form, and evaluate existing security implementation.

An adequately developed and structured security administration function is a critical component in ensuring the Department's physical and logical assets are adequately safeguarded. A structured security administration function would assist the Department in ensuring adequate security procedures are established and consistently enforced. Formally defined and centralized security administrator responsibilities would also assist the Department in providing a centralized figure for reporting security incidents and assist the Department in ensuring prompt assessments of security weaknesses or breaches are performed and subsequent notification to affected individuals in a swift manner to minimize the overall impact resulting from a breach.

In addition, the Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) notes State agencies shall establish and maintain a system of internal fiscal and administrative controls, which shall provide assurance that funds, property and other assets and resources are safeguarded against waste, loss and unauthorized use.

The Department stated they believe they have adequate security administration.

Because of the significance of the exceptions noted, specifically the weaknesses in the security administration function, we are considering this to be a significant deficiency in the Department's internal control over State compliance and a material weakness. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Department's ability to comply with applicable laws and regulations, including the uniform accounting system, in its financial and fiscal operations. A material weakness is a significant deficiency or combination of significant deficiencies that result in more than a remote likelihood that material noncompliance will not be prevented or detected by the Department's internal control.

As a result of not having an adequate security administration function the Department has left its operations exposed to unnecessary security risks. (Finding Code No. 07-8)

RECOMMENDATION:

We recommend the Department:

- Establish a formal centralized Department-wide security administration function, which would include areas such as computer security, building security, paper document security, HIPAA security, etc. This security administration would have the responsibility for overall DHS security policies and the authority to enforce those policies. Once established, security administration personnel should assess Department-wide security responsibilities, including the assessment of location and security of all confidential information; evaluate established security policies and procedures, and make recommendations to Department Executive Management for enhancing security and addressing identified security weaknesses.
- Establish a formal Department wide security awareness program to educate users about Department's security policies and procedures, including the need to keep confidential information secured and the means to keep it confidential, and the users responsibilities of safeguarding Department information resources. This program should provide periodic information on security responsibilities and issues to Department personnel. Employee notification of new administrative directives or revisions should be formalized, including written acknowledgement at least annually stating that the user has received, reviewed, and agree to comply with the Department's security policies and procedures.

- Establish formal procedures for reporting security incidents, and ensuring prompt assessment and subsequent notification of security breaches.

DEPARTMENT RESPONSE:

The Department disagrees with the recommendation. Currently computer, building and HIPAA security exist at the Department of Human Services as separate components and each area has formalized procedures and security awareness mechanisms in place. The Department does not believe that the creation of a higher level function will increase security or prevent any of the issues addressed in the finding.

The Office of Management Information Services, Bureau of Security Planning and Quality Control (BSPQA) produce an annual security awareness program for all the Department computer users. This program will be expanded in the future to include all types of security awareness. The Department has also implemented a process for reporting security breaches. In addition, the Department will explore the possibility of no longer using the ICYCLE program and replace it with a program to shred all documents disposed of at the Department. A shredding process has already been implemented for the Harris building in Springfield. The Department takes security issues very seriously and a concerted effort will be made to improve each area within the Department.

AUDITOR'S COMMENT:

As outlined in the finding, the Department had multiple instances of security weaknesses identified during the audit. In fact, three additional findings (7-9, 7-10, 7-29) outlined serious deficiencies in the administration of security at the Department. In addition, the last compliance examination for the Department (period ending June 30, 2005) included four security related findings (5-20, 5-25, 5-26, 5-27).

Thus, it is abundantly clear that serious deficiencies in security administration have existed for the last two audit periods. While we agree that there are various methods of implementing security administration, it is clear the current approach is not working.

07-9 FINDING: (Inadequate procedures for disposal of confidential information)

The Department of Human Service (Department) had not ensured adequate procedures exist for disposal of documents containing confidential and sensitive information.

The Department regularly collects and maintains various types of documents, including confidential and personal identifiable information, necessary for fulfilling its mission. Although the Department has established several administrative directives regarding the disposal of confidential information, we found procedures for properly disposing of confidential information were not adequate and were not always being followed by Department employees.

While performing a walkthrough at the Department, we found confidential and personal information (travel and payment vouchers with names and social security numbers) in or near trash/recycle bins. We also found sensitive information including a check copy and technical computer information (security IDs, dataset names, and computer logs) in trash/recycle bins.

In addition, we found the Department maintained a significant amount of obsolete data (including confidential data) in its warehouses. Specifically, we found:

- Two pallets of hard-disk drives, diskettes, and tape media that had not been wiped to ensure confidential or sensitive data had been removed;
- Approximately 216 pallets containing over 8,600 boxes of paper files (including case files and materials with expiration dates of up to 20 years) were being stored until a means to appropriately dispose of them was determined.

Confidential, sensitive and personal identifiable information collected and maintained by the Department should be adequately secured at all times. As such, it is the Department's responsibility to ensure adequate procedures for safeguarding all confidential information have been established, effectively communicated to all personnel, and continually enforced. Inherent within this responsibility is the requirement of adequate disposition of all confidential information that is no longer needed. Failure to establish adequate procedures to protect and timely dispose of confidential information and to enforce compliance with established procedures can lead to such information being compromised.

The Department believes the procedures are adequate and stated that employees inadvertently disposed of confidential information improperly.

The lack of timely disposition of obsolete data in conjunction with its storage in warehouses with limited security can lead to unauthorized access and disclosure. (Finding Code No. 07-9, 05-25)

RECOMMENDATION:

We recommend the Department assess its procedures (including all facilities) for safeguarding, retention and subsequent disposal of all confidential information. Procedures should be Department-wide and include procedures for properly disposing of confidential information (shredding is an acceptable method) including clearly defined procedures for disposing of confidential information on electronic media including computer drives that are unable to be cleansed using established cleansing procedures. Once established, the Department should effectively communicate the procedures to all Department personnel, and enforce compliance with its procedures to ensure all confidential information is kept secured until no longer needed, and then properly forwarded for retention until materials can be subsequently disposed.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation. The Office of Business Services will initiate an update through Policy regarding the need for all confidential records to be shredded and will distribute that update according to Department policy. The Office of HIPAA Compliance has developed a new training module, currently on NetLearning, entitled "Protection and Disposal of PHI". Every Department employee has been assigned to complete the course and pass a test. The Office of HIPAA Compliance along with Administrative staff will work with the Bureau of Policy to send out current administrative directives dealing with proper disposal of confidential and protected health information with signature sheets showing that every employee has read and understands the administrative directive. The Office of HIPAA Compliance is purchasing two industrial cross cut shredders to be used in Business Services in Springfield and the Chicago area to dispose of Department confidential and protected health information. All Department confidential and protected health information will be brought to these two sites in secured Department trucks.

07-10 FINDING: (Noncompliance with Personal Information Protection Act)

The Department of Human Services (Department) had not established adequate procedures for prompt follow-up and notification of security breaches, which resulted in the Department not notifying affected persons, consumer-reporting agencies, or the General Assembly of security breaches as required. In addition, Department personnel could not provide documentation as to whether data on some missing or stolen computers constituted a security breach of Department information.

During the examination period, the Department experienced several thefts or loss of computers, including at least 20 computers for which Department personnel were unable to determine if the computers contained confidential information. In at least two of these instances, the computers contained personal information that required prompt notification. However, in these two separate instances, the Department did not provide timely notification to the affected persons, the General Assembly, or consumer reporting agencies. On June 17 and again on July 20, 2007, the Department became aware of stolen computers. On August 9, 2007, the Department determined that a copy of a database that contained personal information on 8,161 providers and 2,372 families was on each of the stolen computers. The Department did not notify the affected providers or families until October 4 and 5, 2007, the General Assembly until October 2, 2007, and consumer reporting agencies until October 4, 2007.

The Personal Information Protection Act (Act) (815 ILCS 530) requires prompt notification be made once a breach of personal information is discovered. If notification is required to be made to more than 1,000 persons, prompt notification to consumer reporting agencies is also required. In addition, the Act requires agencies to submit a report within 5 business days of the discovery or notification of the breach to the General Assembly listing the breaches and outlining any corrective measures that have been taken to prevent future breaches of the security.

The Department stated they were unaware of the notification requirement at the time of the computer thefts.

Prompt notification of security breaches, as required by the Personal Information Protection Act, assures all involved parties are immediately notified of a breach in an effort to minimize the potential impact including unnecessary costs related to possible fraudulent activities resulting from identity thefts. (Finding Code No. 07-10)

RECOMMENDATION:

We recommend the Department comply with the Personal Information Protection Act and notify all appropriate parties as outlined in the Act. In addition, we recommend the Department:

- Establish procedures for prompt follow-up and notification to promote compliance with the Act. Procedures should include prompt notification of computer thefts and loss to appropriate security personnel for determining if the computers contained personal or confidential data;
- Evaluate its computer environment and data maintained to ensure adequate security controls, including adequate physical and logical access restrictions, have been established to safeguard its computer resources; and
- Encrypt personal and confidential data.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation. The Department developed an administrative directive at the Secretary's request detailing proper procedures to be followed to ensure timely notification to all parties (Protection of Confidential and Personal Information: 01.02.03.140). It includes coordination with the Department, MIS Chief Security Officer. All employees will be required to read this directive and sign an acknowledgment sheet. The Chief Privacy Officer is developing a training module entitled, "Understanding the Personal Information Protection Act". This will be assigned to all Department employees and will be placed in Net Learning. The Office of Business Services is working with the Department of Central Management Services (DCMS) Facilities on a review of needed physical infrastructure improvements to increase control of access to locations where electronic data may be stored. The Department is currently working on a solution to encrypt personal and confidential data.

07-11 FINDING: (Inadequate controls over receipts)

The Department of Human Services (Department) lacked an adequate receipt reconciliation process.

The Department failed to post reconciling items noted during the receipt reconciliation process to the primary accounting system (CARS) and did not notify the Office of the Comptroller (Comptroller) of adjustments needed for the State-wide receipt records in a timely manner. This resulted in significant receipt overstatements and understatements in the Department's and Comptroller's financial records throughout fiscal years 2006 and 2007. The Department prepared monthly fund reconciliations during the fiscal year, but because they were not completed in a timely manner, the errors were not corrected.

We identified the following exceptions related to the Department's receipts reconciliation process:

- During our receipt reconciliation testing, we noted 15 out of 120 (13%) revenue source codes tested contained reconciling items that were not corrected within one to two months of identification.
- We noted nearly 200 reconciling items in the DHS Recoveries Trust Fund June 30, 2006 and June 30, 2007 receipt reconciliations, specifically the Excess Assistance and Food Stamp Program Recipient Collections revenue source codes. These reconciling items relate to activity throughout the entire fiscal years.
- The Department did not reconcile its receipt records to Comptroller records on a monthly basis. In 84 of the 120 revenue source codes tested (70%), the reconciliation was not completed until after one month was over; in several cases the reconciliations were not started until five months later.
- We noted 7 out of 120 (6%) items were reconciling items outstanding in excess of 60 days after month's end.

We reported similar weaknesses at the Department in the previous three reports. An analysis summarizing the exceptions identified in the current and past 2 reports is noted in the following table:

Reconciliation Exceptions	Two Years Ending June 30,		
	2007	2005	2003
Source codes not corrected within 1-2 months	X	X	X
Reconciling items in the DHS Recoveries Trust Fund	X	X	X
Receipts adjustments posted from prior fiscal years	X	X	X
Monthly receipts reconciliations performed late	X	X	
Reconciling items outstanding 60 days after month end	X		
Balances contained receipts posted to wrong accounts		X	X
Receipt records not reconciled properly at Centers			X
Reconciling items not communicated to Comptroller			X

The Comptroller's Statewide Accounting Management System (SAMS) procedure 25.40.20 requires agencies to perform monthly reconciliations between receipt account balances maintained by the agency with the statewide receipt account records maintained by the Comptroller's Office so the necessary corrective action can be taken to locate the differences and correct the accounting records. In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/1002) requires each State Agency to establish and maintain an effective system of internal control, which would include the processing of receipts/checks.

We also noted three of the 60 (5%) nonfederal receipts tested were not deposited timely in compliance with the State Officers and Employees Money Disposition Act (Act). The deposits ranged between 3 and 13 days late. The Act (30 ILCS 230/2) specifies deposit requirements based on the amount of receipt and also allows for deposit extensions if approved by the Treasurer and Comptroller. The Department did not make timely deposits taking into account any applicable deposit extensions and deposit criteria specified in the Act.

Department personnel stated these problems are a result of staffing turnover. The reason given by the Department for the exceptions are the same as were provided for the June 30, 2005 report.

Failure to implement adequate internal controls over the processing of receipts/checks increases the risk that errors and irregularities could occur and not be detected. (Finding Code No. 07-11, 05-11, 03-8, 01-11)

RECOMMENDATION:

We recommend the Department ensure all receipt transfers and adjustments be immediately recorded in the CARS accounting system and all receipts be deposited in a timely manner. Further, any adjustments noted when performing Comptroller reconciliations should be promptly investigated and posted.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation. The Department will review the reconciliation process and perform the work timely. The Office of Fiscal Services will prioritize the entering of any adjustments, found during the reconciliation process, to the CARS system in a timely manner. Reconciliation Supervisors will be required to send monthly reports to the Bureau Chief listing the status of the reconciliation process and be current on the monthly reconciliations.

07-12 FINDING: (Weaknesses in administering the Gaining Early Awareness and Readiness for Undergraduate Program)

The Department of Human Services (Department) administers the Gaining Early Awareness and Readiness for Undergraduate Program (Program) (CFDA No. 84.334). The annual awards for federal fiscal years 2006 and 2007 were \$3.5 million with \$1.9 million budgeted for scholarships and the remainder for administration each year.

We noted the following weaknesses in the Program:

- The Department established a separate, interest-bearing fund in the State Treasury for the deposit of scholarship funds. There are no statutory or rule requirements, but U.S. Department of Education guidance requires grantees to place scholarship funds in a trust fund for the benefit of the participants in accordance with the law in the state where the trust is established. An entity other than the grantee must have legal control of the trust and the grantee may not retain any type of reversionary interest in the funds. All scholarship funds are currently on deposit in the State Treasury in the Gaining Early Awareness and Readiness for Undergraduate Programs Fund. Department officials stated they will continue communications with the U.S. Department of Education to determine if, as a State agency, the use of this fund for the deposit of scholarship funds meets federal requirements.
- The Department did not deposit all funds into the correct fund. During fiscal year 2007, the Department drew \$1.465 million for administration of the program into the Federal National Community Services Fund. The Department of Human Services Act (20 ILCS 1305/10-50) requires the Department to deposit all moneys received pursuant to the Program into the Gaining Early Awareness and Readiness for Undergraduate Programs Fund (Fund 0394). Moneys totaling \$1.465 million were deposited into the Federal National Community Services Fund (Fund 0343) in order to administer the program because the Department did not have appropriation authority in Fund 0394 to expend the funds. However, \$3.325 million of scholarship funds were properly deposited in Fund 0394.
- Scholarship funds were not reported as an expenditure on the Department's Schedule of Expenditures of Federal Awards (SEFA) for fiscal year 2007. The Department correctly reported the funds as deferred revenue in their financial statements for State fiscal year 2007 but did not properly report it on the SEFA. Department officials stated the funds drawn down for scholarships should have been considered expended as received. The Department failed to record \$3.325 million in expenditures on the SEFA for State fiscal year 2007. In addition, Attachment A to the Grant Award Notification also indicates that the Department records the drawdown as an expenditure.

Department staff indicated they were not completely familiar with the requirements of the Program when it first began.

The Department has not complied with the federal or State reporting requirements of the Program. Failure to comply with all requirements of the Program results in reduced internal control over the Program. It provides less control over the tracking of scholarships funds including interest earned on those funds since those funds will be commingled with administrative funds. In addition, it does not ensure the recording of federal expenditures in the proper period. (Finding Code No. 07-12)

RECOMMENDATION:

We recommend the Department place scholarship funds in a separate trust as required by the U.S. Department of Education. Further, the Department should deposit all future drawdowns into the correct fund as required by the Department of Human Services Act. We also recommend the Department implement controls to ensure proper reporting of federal expenditures.

DEPARTMENT RESPONSE:

The Department partially agrees with the recommendation. The Department agrees that Gaining Early Awareness and Readiness for Undergraduate Program (GEARUP) administrative funds were deposited into the 343 fund instead of the 394 fund in FY07. This was done because the Department did not have the needed FY07 appropriation authority in the GEARUP fund (394). Starting in FY08, both GEARUP operations and scholarship funds have been deposited in the 394 fund. With regard to the status of the placement of the GEARUP scholarship funds, the State established a separate, interest-bearing fund, specifically for, and limited to the use of the GEARUP funds. It is the Department's opinion that this fund meets the federal requirements for the funds. Department Federal Fiscal staff are working with U. S. Department of Education staff to get confirmation that the state fund meets the federal requirements.

07-13 FINDING: (Commodity inventory system outdated and insufficient for user needs)

The Department of Human Services (Department) Commodity Control System (CCS) is a batch entry system developed over 30 years ago that does not allow users real time inventory controls regarding inventory management and purchasing.

The CCS is utilized for inventory at all mental health and developmental centers and for the Bureau of Pharmacy and Clinical Support Services pharmaceutical warehouse. The CCS had an inventory balance of approximately \$8.1 million at June 30, 2007.

We noted the CCS does not allow the system user to readily review the purchase history of items to ensure the commodities are accurately priced under the average cost method. Under the average cost method, inventory is valued based on the average purchase price (cost) of the items in stock. We noted 6 of 25 (24%) items tested had recorded values that varied from supporting documentation by more than 5%.

We performed inventory test counts on Monday, July 2, 2007. Since the CCS only provides for a weekly report, which is run on Sunday nights, actual quantities of stock are not readily available at any given time. For our inventory count on Monday, July 2nd, we originally tried to reconcile to the quantities on the previous Sunday night's report; but when that proved to be unsuccessful, we used the July 1st report and tried to reconcile to the June 30th balances. When we returned to recount the items that were initially off, we found newly trained personnel had adjusted quantities incorrectly and the weekly report was inaccurate. Actual inventory counts are not taken on a regular basis; therefore the errors would not have been detected for some time.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) notes State agencies shall establish and maintain a system of internal fiscal and administrative controls, which shall provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

In addition, generally accepted accounting principles require the proper valuation of inventory for financial reporting purposes. This would require verifying each purchase transaction and updating specific item information as purchases are made throughout the year. This includes utilizing an appropriate cost accounting system to recognize the average cost for all items. By not maintaining appropriate records, the Department's overall inventory could be misstated.

Department personnel indicated a state-of-the-art inventory system is not practical in the near future due to significant budgetary constraints. Department personnel stated they planned to update the Department's clinical system, which would include the pharmacy portion of the CCS. Department personnel could not provide a cost estimate for updating CCS.

Department personnel also stated a weekly hard copy of prior reports was available should we want to attempt to use these for price testing. However, this is not a practical audit or management tool to provide useful, current information.

An outdated computer inventory system may result in over-purchasing, waste, obsolescence, theft, loss, or unauthorized use of State assets, and contributed to the inadequate controls over commodities noted in finding 4. Recording of inventory quantity information is crucial to maintain control over and to properly manage inventory quantities, such as determining reorder and overstocking points. This is especially important due to the size of the Department and the number of users throughout the State. By not maintaining appropriate records, the Department's overall inventory could be materially misstated and the inability to correctly monitor the CCS system may result in inefficiencies. (Finding Code No. 07-13, 05-17)

RECOMMENDATION:

We recommend the Department ensure CCS users have access to all necessary information required to manage inventories. In addition, the Department should upgrade the CCS or implement a new system that includes a real-time inventory system with capabilities to access current inventory levels so all inventory unit costs are properly recorded. Periodic testing of the CCS or an upgraded system should also be performed to determine the system is properly calculating inventory values.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation. A committee has been formed and has been meeting weekly to develop an RFP to purchase a new commodity inventory system. The Department is looking for a real time system with capabilities that will allow for proper control and valuation of commodity inventories.

07-14 FINDING: (Lack of physical control over State property)

The Department of Human Services (Department) did not have adequate physical control over or recordkeeping for State property.

As of June 30, 2007, the Department's Central Office valued its State property at \$92,517,015, which includes Illinois Center for Rehabilitation & Education – Wood Facility (ICRE-Wood) property valued at \$4,229,917. State property at other Department centers or facilities was tested by other auditors.

The following discrepancies were noted while testing Central Office State property:

- 51 of 519 (10%) items on the location property listings, totaling \$157,154, were not able to be physically observed at the respective locations, and the Department was not able to provide support verifying the items were scrapped, surplus, transferred or loaned to a different location. Some of these items included computers, video conference system, fax machine, cellular telephone, vehicles, furniture, camera, and vending machines. Department personnel stated the vending machines not located were possibly at other Office of Rehabilitation Services – vending stands, which are located throughout the State, but there was no paperwork to suggest where the machines were being used.
- 12 of 287 (4%) items physically observed, totaling \$11,906, were not recorded on the respective location property listings, and the Department was not able to provide support verifying the items were recently transferred or loaned to the location. However, all of the items except a VCR were able to be traced to the Department's Equipment Inventory System or Warehouse Control System. Items included a teleconference system, printer, monitor, fax machine, and vending machines.
- 2 items, totaling \$23,159, were included twice on the inventory listings. Property Control failed to remove the old inventory decals from the Department's inventory systems when new inventory decals were issued for the items. These items were a van and typing stand.
- 12 items failed to have inventory decals properly affixed. We were able to agree the serial numbers of 5 of these items physically observed, totaling \$12,819, to the serial numbers on the property listings. In addition, the inventory decals of 2 other items, totaling \$3,411, were still in the possession of the Property Control Coordinator, who had not affixed them within the required 15 days upon receipt. The remaining 5 items physically observed had neither inventory decals affixed nor serial numbers that traced to the property listings, resulting in unknown values. These items include a microwave, snack machine, and soda machines.

- 1 item physically observed, totaling \$4,140, did not match the description on the property listing. While the property listing indicated the item to be an appliance dolly, the inventory decal was affixed to a stove.

The State Property Control Act (30 ILCS 605/4) requires every responsible officer of State government to be accountable for the supervision, control, and inventory of all items under their jurisdiction.

Department management stated these exceptions were a result of a lack of communication between the individuals responsible for reporting property changes (Property Control Coordinator) and the Property Control Unit.

Failure to properly control and record State property is non-compliance with the State Property Control Act. In addition, failure to properly record State property can lead to inaccurate financial information being reported. (Finding Code No. 07-14, 05-20)

RECOMMENDATION:

We recommend the Department comply with the State Property Control Act and Department policies and procedures for State property control. Specifically, the Department should place inventory decals on all State property, document and control property movements, submit documents to the Property Control Unit timely for updates to the property list, physically inspect State property periodically, and transfer unused State property items to the Department warehouse. In addition, due to the number of vending stands located throughout the State, including proprietary sites, it is essential for the Office of Rehabilitation Services to properly track its property.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation. The Department has property rules and procedures, documented in property control manuals and administrative directives that are to be followed by the individual Department locations to ensure the safeguarding/tracking/monitoring of all State owned reportable fixed assets. A manual is provided to each Property Control Coordinator (PCC) clearly outlining the responsibilities for tracking/monitoring Department fixed assets, as well as step by step instructions to utilize the various tools within the Department inventory systems. Annual training is conducted for new PCC designees, and to provide established PCC's with a review of requirements. An on-line tutorial slide show is available on the Intranet should the PCC want to review whether they are completing all of their responsibilities. Quarterly newsletters are sent out regarding any areas that need additional improvement. A Monthly Transaction Report is sent to each PCC reflecting the activity for the month for that PCC's cost center location(s). The PCC is to review and report any inaccuracies or omissions. The Office of Rehabilitation Services has implemented procedures to ensure all property is tagged and transfer forms are completed and submitted timely when property is moved from one location to another.

07-15 FINDING: (Inadequate controls over accounts receivable)

The Department of Human Services (Department) mental health and developmental disability centers (Centers) failed to exercise adequate controls over accounts receivable. The Centers did not make timely determinations of residents' ability to pay non Medicare and Medicaid charges and did not follow-up on outstanding accounts receivable in a timely manner.

During the engagement period, we noted three Centers did not timely complete the "Notice of Determination" (Form DHS-612) which is used to notify residents or their responsible parties of charges. We also noted resident financial case records supporting receivables in the billing system were incomplete. The records are required to investigate every individual or entity that may have an obligation or responsibility for the payment of services rendered to a resident. Center resource staff did not follow internal procedures to monitor and report delinquent accounts receivable.

- We noted 18 of 75 (24%) files tested at three Centers where staff failed to complete a Notice of Determination in a timely manner. These were completed approximately three months late.
- We noted 8 of 249 (3%) files tested had incomplete resident financial case records. Missing records included documents necessary to determine residents and responsible parties' income and ability to pay.
- We noted 40 of 274 (15%) accounts receivables tested at ten Centers were not followed-up on for over 180 days.

The Department reported gross resident accounts receivable (excluding Medicare and Medicaid) at Centers totaling \$13.925 million and \$11.957 million for the years ending June 30, 2007 and 2006, respectively. The related uncollectible allowances were \$13.208 million and \$11.468 million, respectively. Also, the total revenue from hospitalization insurance covering individuals for 2007 and 2006 totaled \$18.083 million and \$17.805 million, respectively.

The Department is in violation of its own internal policies and procedures as well as statutory requirements regarding the administration of accounts receivable. The Illinois State Collection Act of 1986 (30 ILCS 210) mandates State agencies to capture receivable information and report receivables in accordance with rules established by the Comptroller. The Department's Administrative Directive 02.08.01.040 states, "Facility resource staff generate the Notice of Determination form from RE-2, and mail the IL462-0612 to the debtor" in the first month that an individual enters a Center. Also, the Directive establishes that the Center staff mail the Collection Activities Delinquent Notice when the account becomes delinquent.

Department staff indicated the weaknesses were due to inadequate resources caused by understaffing, leaves of absence and vacancies.

Failure to make timely determinations of residents' ability to pay and follow-up on accounts receivable in a timely manner may result in the delay or loss of revenue. In addition, the lack of controls can lead to an understatement or overstatement of net collectible accounts receivable. (Finding Code No. 07-15)

RECOMMENDATION:

We recommend the Department allocate sufficient staff resources to each Center to process determinations and follow-up on accounts receivable in a timely manner.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation. The Department has made significant effort and progress to hire the positions necessary to complete Notice of Determinations in a timely manner and forward accounts receivables over 180 days old to the Department's Bureau of Collections.

07-16 FINDING: (Weaknesses over quarterly reporting of accounts receivable)

The Department of Human Services (Department) accounts receivable reporting system is cumbersome, relies on numerous subsystems, requires manual entries, and lacks formal written policies and procedures to ensure proper completion.

The Office of the State Comptroller (Comptroller) Statewide Accounting Management System (SAMS) (Procedures 26.30.10) and the Illinois State Collection Act of 1986 (30 ILCS 210 et seq.) requires agencies to file quarterly accounts receivable information with the Comptroller. This is accomplished by completing a Quarterly Summary of Accounts Receivable – Accounts Receivable Activity report (Form C-97), which is prepared and submitted to the Comptroller each quarter.

During our testing of the quarterly Form C-97s, we noted the reports were manually compiled from multiple accounts receivable systems in order to issue a single report. The compilation is complex and cumbersome and, as a result, there is a potential for errors in reporting. The current process takes approximately 15-20 hours to complete over a period of several weeks. Only one employee has primary responsibility and knowledge of the process. We also noted there were no formal written policies and procedures to document the compilation process, which is especially important as only one individual is familiar with the entire process.

The Department's current primary accounts receivable system is the Accounts Receivable System (ARS) with the secondary systems in the Consolidated Accounting and Reporting System (CARS) and the Reimbursement System II (RE2). The systems need to be updated to handle the quantity of transactions processed by the Department.

We noted the Form C-97s were accurately prepared. However, due to the size of the Department and the balance of accounts receivable (approximately \$485 million), the current process for compiling the data does not efficiently or effectively integrate automation of its accounts receivable activity into the Department's financial accounting system, CARS.

Department personnel stated CARS is the primary Department accounting system, but when it was developed, there were not sufficient resources to fully develop an accounts receivable module. As a result, several old software systems must be used to supplement CARS.

Failure to maintain a centralized and automated accounts receivable system could hinder the Department's ability to accurately report accounts receivable balances. The possibility could exist that there are unrecorded accounts receivable or interest or double counted amounts. In addition, the Department puts itself at risk by having one person primarily responsible for preparing the required reports with no formal documentation of the current process. (Finding code No. 07-16)

RECOMMENDATION:

We recommend the Department implement a Department wide accounts receivable system, working with the Department of Central Management Services regarding any possible state-wide consolidated accounting system initiatives. In addition, the Department should also develop formal written policies and procedures to document its existing system and cross-train other workers on preparing the required reports.

DEPARTMENT RESPONSE:

The Department disagrees with the recommendation. The Department acknowledges that the system is old; however, the State has embarked to procure a new MIS system to modernize accounts receivable accounting. The Department doesn't see a need to invest in an interim solution before the State solution is put into place. The SCAAR report can currently be completed in 15 – 20 hours per quarter and there are no questioned costs. The Bureau of Collections has procedures to complete this function and two additional staff have been trained in compiling the Agency's SCAAR report.

AUDITOR'S COMMENT:

In performing testing we assessed the risk associated with the process of generating the accounts receivable data to be high based on the numerous systems used and the complex and cumbersome compilation process to provide the information for the Comptroller's reports. Within our recommendation we asked the Department to work with DCMS regarding any possible state-wide consolidated accounting system initiatives. We did not recommend the Department invest in an interim solution.

07-17 FINDING: (Untimely signing and execution of written contract agreements)

The Department of Human Services (Department) Mental Health and Developmental Centers and Schools (facilities) and Central Office did not sign contracts before their starting date.

During our contract testing, we noted the following:

- Facility auditors identified exceptions at 9 out of 19 of the Department's facilities. For the 9 facilities with identified exceptions, they noted 53 of 141 (38%) contract agreements tested were not signed by all parties prior to the beginning date as set forth in the contract agreements. The average length of time between the beginning date of the contract agreements and their final required signature was 99 days, with a range of 4 days to 365 days. The contract agreements were for a variety of goods and services ranging from medical and laboratory services, to repairs and maintenance. The total of the contract exceptions identified was over \$2 million.
- During our testing of administrative contracts at the Department's Central Office, we noted 6 of 30 contracts (20%) were not signed by all parties prior to the beginning date set forth in the contract agreements. The average length of time between the beginning date of the contract agreements and their final required signature was 62 days, with a range of 17 to 167 days. The contracts were for medical, pharmaceutical, and administrative services. The total amount of exceptions identified was over \$1.3 million.

Contract agreements should be signed by all required parties prior to the beginning of the contract agreement term. This would necessitate their filing with the Comptroller near the beginning of their term thereby making the information readily available to the General Assembly, unsuccessful bidders, and the general public.

Department management stated contracts were not signed in a timely manner due to the Department's internal process of preparing and approving all required forms, number of contracts processed by the Department, and the time it takes to approve a contract at the facility and route it through the Department.

Oversight and public accountability is compromised when contract agreements are not signed in a timely manner. In addition, failure to have the contract agreements signed before the beginning of the contract period does not bind the service provider for compliance with the applicable laws, regulations and rules. (Finding Code No. 07-17, 05-9)

RECOMMENDATION:

We recommend the Department implement procedures to ensure contracts are signed before the beginning date as set forth in the contract agreements.

DEPARTMENT RESPONSE:

The Department partially agrees with the recommendation. The Department has critical contracts and emergency situations when a contract may not be completely processed prior to the beginning date in the agreement. While services may be procured prior to a contract being signed, it is the policy of the Department to not make payment to a vendor without a signed contract in place.

07-18 FINDING: (Inadequate planning for the purchase and installation of equipment)

The Department of Human Services (Department) purchased high capacity paper shredders during fiscal year 2006. Over one year later, several still had not been installed.

During the prior compliance examination, we noted the Department had inadequate procedures for disposal of confidential information (Finding 05-25). In partial response to the finding, the Department purchased shredders for its 115 Family Community Resource Centers (FCRC) located throughout the State. The Department worked with the Department of Central Management Services (CMS) to draft specifications for the purchase and issued an invitation for bid to purchase 39 high-capacity shredders and 76 mid-capacity shredders. The bid required the shipments be made directly to each location and installed. The shipments were scheduled from June 21, 2006 through October 19, 2006. As of September 6, 2007, 22 of the 39 (56%) high capacity shredders had not been installed and made ready for operation. As of January 7, 2008, seven shredders still had not been installed.

The State Property Control Act (30 ILCS 605/4) requires the Department to be accountable for the supervision, control and inventory of all property under its jurisdiction. The Department has the responsibility for planning for equipment purchases and for tracking the receipt, installation and use of State property in a timely manner.

Department staff indicated the delays in installing the shredders were due to a lack of available electrical current and in some cases, space. The high capacity shredders require 220 volt electrical service which several locations did not have. Since the office space for the FCRCs are leased, CMS had to work with property owners to obtain their approval prior to making the necessary changes to accommodate the shredders.

The high capacity shredders cost \$5,149 each for a total of \$200,811. Failure to plan for the timely installation of equipment purchases is an inefficient use of State property and State resources. In addition, failure to timely install the shredders jeopardizes the Department's ability to properly dispose of confidential information at the facilities. (Finding Code No. 07-18)

RECOMMENDATION:

We recommend the Department implement procedures to adequately plan for future purchases of equipment to ensure the infrastructure is capable of supporting the equipment without significant modifications. In addition, the Department should monitor equipment purchases to ensure the equipment meets the requirements for which it is intended and is operational in a timelier manner.

DEPARTMENT RESPONSE:

The Department disagrees with the recommendation. The Department locations, where the equipment was installed, is managed by the Department of Central Management Services (DCMS). The Department communicated with DCMS, prior to the purchase of the equipment, the space and infrastructure requirements. The Department continued to monitor the progress and remind DCMS of the importance of installing the equipment as the orders were shipped and received. Therefore, the Department did adequately plan for both the purchase and the installation.

AUDITOR'S COMMENT:

Adequate planning should encompass utilizing equipment purchases in a timely manner from the date of initial purchase. The Department should have ensured the infrastructure was capable of supporting the equipment without significant modifications, or had a firm timeline as to when necessary modifications were going to be completed prior to purchasing the equipment.

As set forth in the finding the State Property Control Act requires the Department to be accountable for the supervision, control and inventory of all property under its jurisdiction. The Department, not DCMS is ultimately responsible for ensuring efficient use of Department property and resources.

07-19 FINDING: (Filing erroneous emergency purchase affidavit in violation of the Illinois Procurement Code)

The Department of Human Services (Department) filed an emergency purchase affidavit for a purchase which should not have been an emergency, in violation of the Illinois Procurement Code.

During our testing of emergency purchase affidavits, we noted one affidavit was filed to renew a healthcare contract for services at the Department's Treatment and Detention Facility. The reason cited for the purchase on the Illinois Procurement Bulletin website was, "To provide services until a new contract can be executed as a result of a Request for Proposal (RFP) publication and processing," and estimated the cost to be \$375,000. We noted the Department contracted with the vendor for these services since April 2002, but due to a lack of planning and oversight, did not arrange to bid the renewal of services in a timely manner.

The Illinois Procurement Code (30 ILCS 500/20-30) states, "...a purchasing agency may make emergency procurements without competitive sealed bidding or prior notice when there exists a threat to public health or public safety, or when immediate expenditure is necessary for repairs to State property in order to protect against further loss of or damage to State property, to prevent or minimize serious disruption in State services, or to ensure the integrity of State records."

Department personnel stated the purchase was a result of the possible disruption of services to the sexually violent persons housed at the facility, due to the completion of a vendor contract. Department personnel also indicated they initiated the procurement during fiscal year 2006, but were unable to finish the RFP by the end of the fiscal year.

Although this contract ultimately met the criteria of an emergency, proper planning would have allowed the Department to competitively bid these services. As a result, the Department circumvented the bidding process mandated by the Illinois Procurement Code and spent \$335,797 on this project which should not have been an emergency and should have been competitively procured. (Finding Code No. 07-19, 05-7)

RECOMMENDATION:

We recommend the Department follow the Illinois Procurement Code and use the emergency provisions of the Code only in true emergencies and not due to inadequate planning.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation. The Department's Procurement Manual Emergency Procedures include the Illinois Administrative Code Procurement Rules that define emergency conditions. The Department, State Purchasing Officer has instituted a timeline for the submission of procurements, including Request for Proposals.

07-20 FINDING: (Failure to timely determine the disposition of unspent grant funds)

During our testing of the Department of Human Services (Department) fiscal year 2007 annual Office of the Comptroller financial reporting (GAAP) forms for its Federal Projects Fund (Fund 592), we identified five concluded programs with unspent grant funds of which the Department had not determined the final disposition.

The GAAP *Grant Analysis Form* reports grant activity for each federal program within Fund 592. We noted several programs that had concluded in previous years with balances in the deferred revenue and unearned deferred revenue accounts that would indicate unspent balances due to grantor agencies.

Specific programs with unspent grant funds noted were as follows:

- The Employment Service Program (CFDA No. 17.207) reported unearned deferred revenue totaling \$32,000. The grant period ended in fiscal year 2003. Department personnel were unable to provide further information regarding these funds.
- The Special Education – Grants for Infants and Families with Disabilities Program (CFDA No. 84.181) reported deferred revenue totaling \$413,000. The grant period ended in fiscal year 2001. This program ceased to run out of Fund 592 prior to May 2005. Currently this program is run out of another fund. Department personnel are not certain of the details regarding these funds.
- The Ten State Performance Indicator Pilot Project Program (CFDA No. 93.119) reported deferred revenue totaling \$72,000. The grant period ended in fiscal year 2005. According to Department personnel the funds were never earned and additional follow up is necessary for resolution.
- The Consolidated Knowledge Development and Application (KD&A) Program (CFDA No. 93.230) reported deferred revenue totaling \$23,000. The grant period ended in fiscal year 2006. Department personnel were unable to provide further information relating to this program.
- The Cooperative Agreements for State-Based Diabetes Control Program and Evaluation of Surveillance Systems Program (CFDA No. 93.988) reported deferred revenue totaling \$226,000. The grant period ended in fiscal year 1999. Department personnel were unable to provide further information relating to this program.

The Department should follow sound program / grant management practices and expend all grant funds in accordance with the purpose for which they were originally received to maximize the program potential. If a program concludes with unspent grant funds, Department personnel should follow the guidance in the program / grant documents and determine if any excess grant funds should be returned or used for other programs as allowed by the grantor.

The Department stated the final disposition was not determined timely due to staffing shortages; however, they stated they have already received and reconciled the funds.

Maintaining these unspent funds exposes these funds to loss or misappropriation due to the general lack of attention directed toward these concluded programs by Department personnel. (Finding No. 07-20)

RECOMMENDATION:

We recommend the Department determine the availability of these funds for expenditure or return them after proper consultation with the respective grantor.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation. The Department will review the funds and determine the proper disposition of the funds. The Department, Office of Fiscal Services will also hold meetings with appropriate program areas to discuss funds and determine the proper action necessary to resolve the issue of the unspent grant funds.

07-21 FINDING: (Inadequate recordkeeping for payroll and personnel files)

The Department of Human Services (Department) did not maintain all necessary and required supporting documentation in employee payroll and personnel files.

During our testing of employee payroll and personnel files we noted the following:

- In 12 of 60 (20%) payroll files tested, we noted voluntary withholding payroll deduction authorization requests were not maintained in the files.
- In 6 of 60 (10%) personnel files tested, we noted various required items were not included in the files. Examples of missing required information included signed applications, indication on the application of a criminal offense, explanation of the criminal offense committed, documentation regarding disciplinary actions, reason for termination, and the original employment documentation.

The Voluntary Payroll Deductions Act of 1983 (Act) (5 ILCS 340/4) states, “An employee may authorize the withholding of a portion of his or her salary or wages for contribution to a maximum number of 4 organizations...upon written request of a State employee, for each regular payroll period, from the salary or wages of the employee the amount specified in the written request for payment to the organization designated by the employee.”

Personnel rules issued by the Department of Central Management Services (80 Ill. Adm. Code 304.30) also require the Department to establish and maintain personnel files for employees showing the name, sex, county of residence, date of birth, date of original appointment to State service, date of promotions, demotions, transfers, and other transactions, present position title, status, salary, and the operating agency wherein the employee is assigned.

Department personnel stated the Department’s Payroll Office had been formed in 1998 and the payroll files were obtained from five legacy agencies. Logistically, this caused problems with obtaining complete payroll files.

Without proper recordkeeping there is no documented basis for withholdings, terminations, disciplinary actions, and other employment issues. (Finding Code No. 07-21)

RECOMMENDATION:

We recommend the Department maintain the necessary required documentation in employee files including payroll deduction authorizations and support for terminations and disciplinary actions.

DEPARTMENT RESPONSE:

The Department partially agrees with the recommendation. The Department's Bureau of Payroll and Benefits was established with the rest of the Department on July 1, 1997. Electronic and paper payroll files were provided to the Department by the 5 legacy agencies. Despite repeated requests, legacy agencies could/would not provide any additional paper information to support payroll deductions for employees who transferred to the Department.

For the first 5 years of the Department, every employee received a "Personal Benefits Statement" at least on a quarterly basis. For the past 6 years, the "Personal Benefits Statement" is distributed to each employee twice a year. This statement lists all paycheck withholdings (benefits information, tax status, tax withholding information, social security rates, retirement rates, insurance deductions, deferred compensation, MCAP/DCAP, optional life insurance, charities, etc.) on the employee payroll record. Employees are required to review this statement and contact the Bureau of Payroll and Benefits if any changes are required.

Payroll files should not be confused with personnel files. Personnel files are regulated by Department of Central Management Services Personnel Rules; the Personnel Rules are silent on payroll files contents.

07-22 FINDING: (Employee performance evaluations not performed on a timely basis)

The Department of Human Services (Department) did not conduct employee performance evaluations on a timely basis.

During our testing, we noted that 29 out of 60 (48%) Central Office employees sampled did not have a performance evaluation on a timely basis. In addition, facility auditors noted that 133 out of 421 (32%) facility employees at eleven of the twenty-one facilities did not have a performance evaluation on a timely basis. Many of these employees had not had evaluations for several years. Four of the individuals have not had an evaluation in over seven years.

Personnel rules issued by the Department of Central Management Services (80 Ill. Adm. Code 302.270) require performance records to include an evaluation of employee performance prepared by each agency not less often than annually. Annual evaluations support administrative personnel decisions by documenting regular performance measures. The Department's Employee Handbook refers to the employee performance appraisal, but states no specific timing requirements.

Several of the exceptions noted were regarding Merit Compensation employees. Merit Compensation employees usually receive a raise once a year depending on their employee performance evaluations. Department personnel stated there have been no Department merit compensation increases for several years. Department personnel indicated that the supervisors and employees do not feel the urgency to complete performance evaluations without the incentive of a raise.

Without performance evaluations there is no documented basis for promotion, demotion, discharge, layoff, recall, or reinstatement and current employment status. (Finding Code No. 07-22, 05-15)

RECOMMENDATION:

We recommend the Department follow the Personnel Rules and hold management accountable for completing employee performance evaluations on a timely basis.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation. The Department will notify the program area approximately two months in advance of upcoming evaluations through the Performance Certification and Merit Increase Recommendation (301-money sheet). A listing of upcoming Merit Compensation employee evaluations will be provided to the Chief of Staff. That office will also contact the program areas of evaluations that are due. Additionally, the Bureau of Employee Services and the Chief of Staff's office will follow up with the area on any evaluations that are past due.

07-23 FINDING: (Weaknesses in maintaining documentation of temporary employee assignments)

The Department of Human Services (Department) failed to follow their own administrative directives as well as State administrative rules for administering temporary employee assignments.

During our testing of temporary employee assignments at the Central Office and facilities, we noted the Department was unable to provide documentation to support temporary employee assignments and incorrectly completed required authorization forms. We noted the following exceptions:

- The Department was unable to provide any documentation for 6 of 25 (24%) employees currently working in temporary assignment positions. Because there was no documentation we were unable to determine how long the employees had been functioning in these positions.
- For 3 of 25 (12%) employees working in a temporary assignment position the authorization forms had no indication of an ending date. In these cases, the Department listed the ending date as “when filled”, “as needed”, or nothing at all.

The Illinois Administrative Code (80 Ill. Adm. Code 302.150), defines temporary assignment as, “For persons in positions to perform temporary or seasonal work. No position shall be filled by temporary appointment for more than 6 months out of any 12-month period.” The DHS Payroll Quick Reference Guide states that temporary assignment for bargaining unit employees to higher bargaining unit titles, Merit Comp or Salary Grade titles is accomplished through completion of the “Temporary Assignment Authorization” form (IL444-4180). All sections of this form must be completed for consideration and approval of temporary assignment. For Merit Comp employees the DHS Administrative Directive on Interim Assignments (01.02.01.110) states, “The program area must submit an Interim Assignment Request form (IL444-4181) justifying the need for an interim assignment.”

Department personnel stated documentation could not be located in the employee files and was not maintained due to oversight.

Failure to maintain adequate documentation for temporary employee assignments is an internal control weakness that could lead to abuse. Temporary employee assignments are by their nature not meant to be permanent and may result in higher pay rates. As a result, there is a greater opportunity for waste, fraud or abuse if there are a lack of mitigating controls, and supporting documentation. (Finding Code No. 07-23)

RECOMMENDATION:

We recommend the Department maintain the required documentation in order to substantiate all temporary employee assignments.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation. The Department will maintain the temporary assignment forms and ensure that all ending dates are completed.

07-24 FINDING: (Deficiencies noted in Statements of Economic Interest filed with the Secretary of State)

During testing of the Department of Human Services (Department) personal service expenditures we identified employees who were required to file Statements of Economic Interests (Statements) with the Secretary of State that had not filed their Statements as of the date of testing.

We identified 3 of 57 (5%) statements tested due May 1, 2007 had not been filed as of November 2007. These employees function as the head of a division or bureau, have responsibilities for the formulation, negotiation, issuance or execution of contracts entered into by the State in the amount of \$5,000 or more and/or have supervisory responsibility for 20 or more employees of the State.

The Illinois Governmental Ethics Act (Act) (5 ILCS 420/4A *et seq.*) requires the chief administrative officer of any State agency to certify on or before February 1 annually to the Secretary of State the names and mailing addresses of those persons required to file a Statement. The Act sets forth which State employees are required to file a Statement and requires the names be listed in alphabetical order.

Department personnel stated the three employees who did not file were inadvertently left off the list forwarded to the Secretary of State for those required to file.

Failure to adequately communicate the requirements for filing Statements of Economic Interests with the Secretary of State has resulted in noncompliance with the Illinois Governmental Ethics Act. (Finding Code No. 07-24)

RECOMMENDATION:

We recommend the Department establish procedures to ensure all applicable Department employees are reported to the Secretary of State to ensure they file their Statements of Economic Interests in a timely manner. Further, the Department should require all employees who have not filed their statements to do so immediately.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation. The Department has implemented a secondary level of review of the certified list of employees and appointees meeting the stated criteria for filing a Statement of Economic Interest prior to filing with the Secretary of State. The Department has also added the filing criteria to the new employee checklist to ensure proper determination of requirement to file at the time of hire.

07-25 FINDING: (Inadequate records for State vehicles assigned to Department employees)

The Department of Human Services (Department) did not maintain adequate records for Department owned vehicles.

During the engagement period, the Department had 533 vehicles, 31 of which were specifically assigned to Department employees. The Department's vehicle coordinator is responsible for monitoring the fleet database, which tracks mileage and maintenance for all Department vehicles.

We tested records for all 31 personally assigned vehicles during the engagement period and noted instances of incomplete mileage records, mileage errors, lack of documentation for repair costs, missing information, and lack of annual certifications related to license and insurance coverage.

Specific problems noted were as follows:

- We noted 24 of 31 (77%) personally assigned vehicles tested had missing or incorrect information in the database. We noted gaps in mileage and maintenance records in the database. We also noted the reason for assignment of the automobile was not recorded in the database. Additionally, personally assigned vehicles contained mileage errors in the database. Beginning and ending odometer readings did not match miles driven.
- We noted 3 of 31 (10%) employees assigned a Department vehicle failed to file the required annual certification relating to license and insurance coverage. The Illinois Vehicle Code (625 ILCS 5/7-601 (c)) requires each employee who is assigned a specific vehicle owned or leased by the State to annually certify to the Secretary of the Department that they are duly licensed and have adequate liability insurance coverage. In addition, we found one vehicle where the employee failed to note the signature date on the personally assigned vehicle authorization and insurance certification forms.
- We also identified one vehicle that was involved in an accident, but the database contained no record reflecting repair charges.
- We noted one employee submitted a claim for mileage reimbursement even though he had been issued a personally assigned State vehicle. The employee was reimbursed for mileage totaling \$605 claimed on three separate vouchers. Department personnel could not explain why the individual did not use his State vehicle and Department records did not indicate the State vehicle was being repaired.
- In 2 out of 60 (3%) automotive invoice vouchers tested, the license plate number given on the supporting documentation did not trace to the vehicle listing.

- In 7 out of 60 (12%) automotive invoice vouchers tested, an automotive description, license plate number, vehicle ID, or any other means to identify the State vehicle used was not given on the supporting documentation. Therefore, we were unable to identify the State vehicle used or whether the charges were appropriate.
- We noted the Department does not have policies or procedures to ensure assigned vehicles are maintained. For example, it is assumed the operator of an assigned vehicle will have the oil changed, but they are not required to do so. The Department has begun to send out correspondence during the year to offer service to the assignees. The assignee is not responsible for any damage caused by lack of maintenance, no matter how severe.

We reported similar weaknesses at the Department in the previous two reports. An analysis summarizing the exceptions identified in the current and past 2 reports is noted in the following table:

Exceptions in Testing Assigned Vehicles	Two Years Ending June 30,		
	2007	2005	2003
Vehicle database was missing or had incorrect information	X	X	X
License and insurance coverage certification not filed	X	X	X
Database lacked information on vehicle in an accident	X	X	X
Employee assigned a vehicle was paid for mileage	X		
License number for vehicle expense did not agree to listing	X		
No vehicle identification documented for vehicle expense	X		
No policy to ensure assigned vehicles properly maintained	X	X	

The Illinois Administrative Code (Title 44, Subtitle D, Chapter 1, Part 5040) outlines general procedures regarding State vehicles including acquisition, use, maintenance, and other miscellaneous areas relating to State vehicles. In addition, the Department should follow guidance provided by the Department of Central Management Services related to vehicles.

Department personnel stated there were two different vehicle coordinators during the engagement period. In its previous response to this finding, the Department stated procedures have been put in place to alleviate the problems and the vehicle database was cleaned up since they have had permanent staff handling this for the last year. However, we noted problems persist.

Complete and accurate information is critical to effectively manage the Department's fleet of vehicles. Good business practice requires the Department have a system in place to provide the vehicle coordinator with the proper information needed to monitor the Department's vehicles ensuring the vehicle fleet is properly maintained. The Department should establish and enforce procedures related to the operation of automobiles in accordance with the Illinois Administrative Code. (Finding Code No. 07-25, 05-21, 03-21)

RECOMMENDATION:

We recommend the Department enter and maintain complete, accurate and timely information in its fleet database. Further, the Department should monitor the assignment of vehicles and ensure all required certifications are obtained on a timely basis. We also recommend the Department implement policies or procedures to ensure assigned vehicles are maintained.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation. The Administrative Directive will be revised to include maintenance responsibility on assigned vehicles. The Office of Business Services (OBS) will annually obtain signed insurance certificates from assigned vehicle drivers and begin monitoring the assigned vehicle monthly reports for routine maintenance. OBS will also send a memo to all assigned vehicle drivers that all maintenance done to an assigned vehicle must be noted on that vehicle's monthly report.

07-26 FINDING: (Motor vehicle accidents not reported in a timely manner)

The Department of Human Services (Department) did not report all accidents involving State vehicles to the Department of Central Management Services (CMS) in a timely manner nor did the Department report all accidents to CMS.

During our testing of information from the Department and from CMS, there were 86 accidents involving Department vehicles during the engagement period. We noted 30 instances (35%) in which accidents were not reported to CMS in a timely manner, with reports ranging from 1 to 101 days late. We also noted one instance where an accident was not included on the CMS report.

We reported similar exceptions at the Department in the previous three reports. An analysis summarizing the exceptions identified in the current and past 2 reports is noted in the following table:

Two Years Ending June 30,	Department Vehicle Accidents	Number of Vehicle Accidents Reported Late	Range of Days Vehicle Accidents Reported Late	Vehicle Accidents not Reported to CMS
2007	86	30 (35%)	1-101 days	1
2005	93	45 (48%)	1-441 days	5
2003	91	22 (24%)	1-62 days	4

The Department’s Administrative Directive, 01.05.05.030, regarding reporting of motor vehicle accidents and insurance coverage states, “As a condition of coverage, employees involved in a motor vehicle accident are required to have a legible written report of the accident in the CMS Division of Risk Management not later than seven (7) calendar days following the accident. Failure to comply with this important condition in the plan may result in forfeiture of insurance coverage to the employee.” Further, “Failure to report an accident to the CMS Division of Risk Management through the DHS Vehicle Coordinator could leave the employee totally and solely financially liable for all damages incurred.”

During the engagement period, there was a turnover in the Fleet Manager position. The Fleet Manager at the Department’s Central Office is responsible for submitting all Department accident reports to the CMS Division of Risk Management. Department officials stated for the majority of the exceptions noted, facilities and schools did not submit the reports to the Central Office in time for the reports to be submitted to CMS.

In response to the prior recommendation, the Department amended its Administrative Directives to allow for the suspension of the use of a state-assigned vehicle for three months if an accident is not reported in a timely manner. Department officials stated

they were not aware of any disciplinary action during the examination period for any employees failing to file accident reports in a timely manner. Due to the high rate of noncompliance, the Department should consider disciplinary action for those employees who do not file reports in a timely manner in order to correct this problem.

Failure to report accidents to CMS in a timely manner may impact the State's ability to investigate and defend itself against resulting claims. (Finding Code No. 07-26, 05-22, 03-22, 01-15)

RECOMMENDATION:

We recommend the Department again communicate the requirement to file accident reports in a timely manner to those employees whose jobs involve travel, monitor the submission of accident reports to ensure the requirement is being followed, and consider appropriate action for those employees who do not file reports in a timely manner.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation. A copy of the Administrative Directive regarding reporting accidents will be included in each trip packet that goes out with the drivers. This Administrative Directive also instructs the employees that they are responsible for reporting an accident within 24 hours to the Office of Business Services or they could be suspended from using a State car for three (3) months.

07-27 FINDING: (Inconsistent application of fuel tax exemptions)

The Department of Human Services (Department) purchased fuel that included State sales taxes and Federal excise taxes, both of which are State-exempt taxes.

During our testing of Central Office vouchers for fuel purchases, we noted inconsistencies regarding gas stations not giving tax exempt status to State vehicle gas purchases. During our testing of 24 vouchers for fuel purchases, we found 13 (54%) purchases of fuel that included exempt taxes which were not deducted on the billing.

When the billings were processed, purchases at certain gas stations were not coded properly, and thus did not properly adjust the State sales and Federal excise taxes.

According to the Illinois Department of Revenue, State agencies are exempt from State sales taxes and Federal excise taxes. The following table helps to illustrate exempt taxes on motor fuel purchases:

Exempt Taxes

State Sales Tax	6.25% x (gross sale less Federal Excise Tax)
Federal Excise Tax	18.4 cents per gallon (unleaded) 13.1 cents per gallon (gasohol)

Department officials stated the Department of Central Management Services provided a list of gas stations participating in the tax exempt program. They stated the list was communicated to Department employees. However, it is sometimes necessary to use other stations.

This finding was also noted in the previous two engagements. The fiscal year 2005 engagement noted 28% of fuel purchases tested included exempt taxes, while the fiscal year 2003 identified 33%, compared to 54% during the current period.

Failure to establish consistent application of fuel tax exemptions caused the Department to improperly pay State and Federal excise taxes. This is especially important as the Department expends approximately \$600,000 per year on fuel purchases. (Finding Code No. 07-27, 05-23, 03-23)

RECOMMENDATION:

We recommend the Department communicate with vendors to adjust applicable taxes on the Department's fuel purchases. Further, the Department should communicate information regarding exempt taxes to those employees whose jobs require the use of a State vehicle.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation. A request will be sent to the Department of Central Management Services to request that they address the tax exempt issue during the next contract period and to notify all Agencies on procedures where non-complying vendors are sole source in that area. An email will be sent out to all drivers notifying them about the tax exempt requirements and a copy of the Administrative Directive that shows what vendors are non-tax exempt. All gas receipts will be proofed for sales tax and the driver will be notified for reimbursement.

07-28 FINDING: (Contingency planning weaknesses)

The Department of Human Services (Department) had not ensured adequate planning for the recovery of its applications and data. In particular, acceptable disaster recovery capabilities did not exist to ensure that critical computer systems (integral to ensuring the safety and well-being of its clients) could be recovered within the required timeframe.

The Department relies on Information Technology for carrying out its daily operations, and had identified four computer systems (Unit Dose, Clinical Lab, Clinical Information, and Clinical Inpatient System) that required recovery within 24 hours to ensure the safety and well-being of its clients.

The Department updated its contingency plan in August 2007; however, we found the plan did not adequately address all facilities and contained some outdated information. We also noted some facilities did not have an updated or tested recovery plan. In addition, at least one facility did not ensure adequate backups of data for recovery purposes were accomplished.

The Department performed a pre-disaster recovery drill in August 2007 and participated in a regional recovery test in September 2007. Although the Department was not able to successfully recover its critical systems within the required 24-hour timeframe during the August drill, they were able to recover their critical systems within 26 hours during the regional test. However, Department personnel stated the time reported during the regional test did not include travel time to the regional test site.

Many of the Department's IT functions were consolidated into the Department of Central Management Services (DCMS), with a physical move of equipment in September 2006. As a result, the Department and DCMS have a shared responsibility over disaster contingency planning. Although the Department shares some responsibility with DCMS, the Department has the ultimate responsibility to ensure it has the capability to recover its applications and data. Even though the Department has improved its planning and testing activities, since this issue was identified in the prior audit (prior to physical consolidation), it was incumbent upon the Department to ensure corrective actions were implemented to ensure its applications and data could be recovered to meet requirements.

Information technology guidance (including the National Institute of Standards and Technology and Governmental Accountability Office) endorse the formal development and testing of disaster contingency plans. Tests of disaster contingency plans (and the associated documentation of the test results) verify that the plan, procedures, resources (including personnel) provide the capability to recover critical systems within the required timeframes. Ensuring adequate recovery capability is necessary to ensure recovery of critical systems and data within the required timeframes.

The Department stated neither DCMS nor the Department has sufficient funding to ensure Disaster Recovery can be completed within the stated 24 hour time frame.

Failure to have acceptable and timely recovery capability for the Department's critical systems could have devastating impacts on the safety and well being of the clients receiving services. Having acceptable recovery capability would assist the Department in minimizing the impact associated with a disaster, promote recovery of its computer operations in a timely and effective manner, and ensure the safety and well being of impacted clients. (Finding Code No. 07-28, 05-24)

RECOMMENDATION:

The Department should formally communicate to DCMS its recovery requirements, and establish and document guidelines that outline both the Department's and DCMS responsibilities. Specifically, the Department should:

- Work with DCMS to ensure recovery of its critical computer systems within the required 24-hour timeframe;
- Perform and document tests of its recovery capabilities at least once a year. Due to the critical nature of the recovery requirements, the Department should ensure the tests demonstrate the ability to meet the 24-hour timeframe;
- Continually review and update its contingency plan to reflect the current operating environment and ensure all of its facilities have an adequately developed and tested contingency plan; and,
- Ensure regular backups of data are successfully accomplished and verified.

DEPARTMENT RESPONSE:

The Department partially agrees with the recommendation. The Department's ability to continually work with DCMS has ensured adequate planning for the recovery of its applications. The Department conducts an annual test to ensure our applications are recoverable. At issue is the length of time it takes the DCMS to bring the disaster recovery site up and have it running. During the local test in August '07, we were able to recover our systems in 26 hours, 2 hours more than the stated 24 hour recovery maximum. (Note: All prior tests conducted with the Harris recovery site/computer system did recover within the required 24 hour period.) The problem is that DCMS can not have their Boulder, Colorado recovery site up within the 24 hours that the Department has stated as the longest period of time we can go without our critical systems. Until DCMS can do something about the length of time it takes them to recover, this issue will remain. The Department does not have the funding or the ability to provide for the disaster recovery service that DCMS will not provide.

The Department disagrees with recommendation #2 (perform and document tests of its recovery capabilities at least once a year. Due to the critical nature of the recovery requirements, the Department should ensure the tests demonstrate the ability to meet the 24-hour timeframe). As the auditors are very aware, the Department participates in the annual statewide Disaster Recovery test. Our testing is documented and was available for review by the auditors.

The Department disagrees with recommendation #3 (continually review and update its contingency plan to reflect the current operating environment and ensure all of its facilities have an adequately developed and tested contingency plan). The Department's Bureau of Security, Planning and Quality Assurance updates the Department's disaster recovery plan annually. Facilities are not considered as disaster recovery priorities (Category 1 – Human Safety). Our ability to recover timely from a local disaster was demonstrated on June 6, 2007 when a 10:45 am fire at the Macomb, Division of Rehabilitation Services (DRS) office destroyed the building. With the help of the Department staff, DCMS staff including personnel from the Department, Office of Business Services, the office was relocated and was functional again by 8:00 am on June 8th, 2007.

The Department disagrees with recommendation #4 (ensure regular backups of data are successfully accomplished and verified). DCMS is responsible for ensuring data backups are taken and are successful.

The Department will continue to work with DCMS to ensure adequate planning for the recovery of its applications.

AUDITOR'S COMMENT:

As outlined in the finding, the Department stated “neither DCMS nor the Department has sufficient funding to ensure Disaster Recovery can be completed within the stated 24 hour time frame”. Thus, the Department is acknowledging that its recovery capability does not meet the Department's own 24 hour recovery requirement to ensure the safety and well being of its clients. Our recommendations provide the Department with approaches to assist them in resolving the deficiency they acknowledge.

In addition, although DCMS may be assigned the task of backing up the Department's data, the Department has the ultimate responsibility to ensure its data is successfully backed-up to ensure the data would be available for the Department to meet its mission and mandates.

07-29 FINDING: (Physical security weaknesses)

The Department of Human Services (Department) did not ensure adequate physical security existed over its facilities.

The Department's Administrative Directive 01.01.02.210 Physical Safeguards – Building Access Controls states, "It is the policy of the Department of Human Services (DHS) to limit access to the physical location(s) where electronic information systems and protected health information (PHI) are housed within DHS occupied buildings in order to ensure personnel safety and protect confidential data."

The Department has the primary responsibility for physical security; however, the Department of Central Management Services (DCMS) has some responsibility over the allocation of keys and security guard contracts.

During our review, we noted the following weaknesses:

- Access to restricted areas was excessive and not always appropriately restricted. Personnel from the Department and other agencies with general access to the Harris Facility often had additional unneeded access to areas with confidential information or computer systems.
- Not all surveillance monitors located at the Harris Facility's guards' desk effectively displayed the surveillance images.
- Physical security weaknesses contributed to the theft or loss of at least 20 Department computers during the engagement period.
- The Department failed to establish adequate controls over the distribution/collection of facility keys. For example, a number of keys providing access to the Industrial Drive facility were lost or not returned. To exacerbate the problem, the codes associated with the facility's security alarm were often shared and not changed after employee separation.
- Environmental controls, including broken windows and outdated fire extinguishers, were not adequate at a warehouse that stored critical confidential information.

Adequate physical security is essential to restricting unauthorized access to and safeguarding of the Department's critical and confidential resources. Therefore, it is the Department's responsibility to ensure security over its resources is adequately established and enforced.

The Department stated that the turnover of staff leaving the Office of Business Services (OBS) contributed to keys not being turned in. They further stated that OBS is now monitoring more closely and will also recode the alarm systems so if an ex-employee tries to enter with a key, an alarm will sound.

Failure to establish and enforce adequate physical security could result in unauthorized access to Department resources. (Finding Code No. 07-29, 05-26)

RECOMMENDATION:

We recommend the Department assess physical security to ensure Department resources are adequately secured. In addition, we recommend the Department:

- Review security procedures for adequacy and ensure procedures are consistently and effectively enforced;
- Review access to restricted areas and remove access from personnel who do not require regular access for completing their job responsibilities;
- Establish Department-wide procedures and central control over physical keys. A log of assigned keys should be maintained and updated as keys are replaced, retrieved, or re-issued;
- Work with DCMS to ensure all existing surveillance monitors are operating effectively; and,
- Ensure reasonable environmental controls exist to protect critical information.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation. The Office of Business Services (OBS) is working with DCMS Facilities on a review of needed physical infrastructure improvements to increase control of access to locations where electronic data may be stored. A meeting was held with the Acting Manager of the Department, Office of Business Services (OBS), the Department Management Information Services (MIS) and DCMS to discuss the issues. Preliminary drawings are being done to address this issue and to recode security access codes for all three buildings at Industrial Drive Complex.

07-30 FINDING: (Annual eligibility redeterminations for KidCare not being completed)

The Department of Human Services (Department) failed to make annual redeterminations of eligibility for KidCare services in compliance with the Children’s Health Insurance Program Act (Act) (215 ILCS 106). The KidCare Program provides health benefits to low income children. The Department is responsible for eligibility determinations and redeterminations for the KidCare Program. The Department of Healthcare and Family Services is responsible for overall Program administration.

During our testing of 24 KidCare case files, we identified 6 cases (25%) in which the eligibility redeterminations were not completed or were completed late. As a result, services are still being rendered although the individual may no longer be eligible.

The Act states, “A child who has been determined to be eligible for assistance must reapply or otherwise establish eligibility at least annually.” (215 ILCS 106/20(b)). Not performing the annual redeterminations may allow ineligible individuals to receive services. The lack of redeterminations weakens the internal control over the program.

Department management stated once KidCare eligibility is originally determined, the case is transferred to a local office near the recipient’s residence. The Department sends a listing of individuals requiring redeterminations to the local office, where the redeterminations are completed. If the redetermination does not occur, services are not cancelled.

Failure to perform annual eligibility redeterminations could allow ineligible recipients to receive services under the KidCare Program in noncompliance with the Act. (Finding Code No. 07-30, 05-34)

RECOMMENDATION:

We recommend the Department require eligibility redeterminations be completed on an annual basis in compliance with the Act.

DEPARTMENT RESPONSE:

The Department agrees with the recommendation. The Department has required eligibility redeterminations to be performed annually, and continues to make redetermination currency a priority. Our redetermination currency rate for KidCare cases has improved to over 97%, and we will continue to monitor and encourage improvement.

07-31 FINDING: (Members not appointed to Advisory Board for Services for Persons who are Deaf-Blind in accordance with State law)

Board members to the Advisory Board for Services for Persons who are Deaf-Blind (Board) were not appointed by the Secretary of the Department of Human Services (Department) as required by the School Code (105 ILCS 5/14-11.02).

The School Code states, “The Advisory Board shall consist of 3 persons appointed by the Governor; 2 persons appointed by the State Superintendent of Education; 4 persons appointed by the Secretary of Human Services; and 2 persons appointed by the Director of Children and Family Services.”

During our testing, we noted 2 of the 4 appointments to be made by the Secretary of the Department were vacant. Department personnel stated potential candidates had been suggested to the Secretary. However, the appointments were never made. Department staff stated they have had difficulty in identifying individuals who meet the criteria and are willing to serve on the Board.

Failure to appoint Board members according to the criteria in the School Code may prevent the Board from carrying out its mandated duties of advising the State Superintendent of Education, the Governor, and the General Assembly on all matters pertaining to policy concerning persons who are deaf-blind, including the implementation of legislation enacted on their behalf. (Finding Code No. 07-31, 05-37)

RECOMMENDATION:

We recommend the Department appoint board members to the Advisory Board for Services for Persons who are Deaf-Blind in compliance with the School Code.

DEPARTMENT RESPONSE:

The Department partially agrees with the recommendation. The Division of Rehabilitation Services, Office of Legislation and Secretary’s office have all forwarded recommendations to the Governor’s office for appointment to the Advisory Board. Staff have made consistent and documented attempts to request these appointments be made, with no action. We believe the Department has met the obligation of identifying individuals and are not authorized to make these appointments as that responsibility lies outside of the scope of the Department. The Department will continue to work with the Governor's Office to make necessary appointments.

AUDITOR’S COMMENT:

The appointments to the Advisory Board for Services for Persons who are Deaf-Blind required to be made by the Secretary of the Department do not require approval by the Governor per the School Code (105 ILCS 5/14-11.02).

PRIOR FINDINGS NOT REPEATED – (GOVERNMENT AUDITING STANDARDS)

Financial Audit – Year Ended June 30, 2006:

- 07-32** The previous engagement noted the Department did not determine billing eligibility for residents in State mental health and developmental disability facilities in a timely manner, resulting in delayed and potential lost revenue to the State and inaccurate Department account receivable balances. During the current engagement, we noted the Department has employed a consultant to assist in billing. The Department is current regarding Medicaid and Medicare billings. Although several billing issues remain as noted in finding 15, this finding is not repeated. (Finding Code No. 06-1, 05-1)

Compliance Examination – Two Years Ended June 30, 2005:

- 07-33** The previous engagement noted the Department did not claim over \$24 million under the federal Special Education Grants for Infants and Families with Disabilities (Early Intervention) program (CFDA #84.181) in a timely manner. During the current engagement, we noted the Department claimed Early Intervention funds in a timely manner. As a result, this finding is not repeated. (Finding Code No. 05-3)

PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)

- 07-34** The previous engagement noted the Department expended approximately \$48,000 remaining from grants made by the Casey Foundation for a new program entitled Team Illinois. There was no evidence the Casey Foundation ever approved using the unexpended funds for the Team Illinois program. During the current engagement, we noted the Department received a letter from the Casey Foundation that states the funds are “yours to use as you determine appropriate”. In addition, the Casey Foundation approved the expenditures that the Department incurred. As a result, this finding is not repeated. (Finding Code No. 05-5)
- 07-35** The previous engagement noted weaknesses in the Department’s procedures for reviewing final grant expenditures reported by grantees and the Department’s subsequent recovery of unspent grant funds. During the current engagement, we noted the Department implemented procedures during fiscal year 2006 and 2007 to conduct grant reconciliations as directed. As a result, this finding is not repeated. (Finding Code No. 05-6, 03-7)
- 07-36** The previous engagement noted the Department circumvented the Illinois Procurement Code by purchasing items without soliciting competitive bids. During the current engagement, we performed various testing to determine if the competitive bidding requirements of the Procurement Code were followed when purchasing supplies, services, or equipment. We noted no incidents of noncompliance. As a result, this finding is not repeated. (Finding Code No. 05-8)

- 07-37** The previous engagement noted the Department entered into contracts for medical services in which the indemnification clause was modified without the documented approval of legal counsel. During the current engagement, we noted the Department made extensive efforts to ensure that changes are approved by legal counsel before contracts are approved. As a result, this finding is not repeated. (Finding Code No. 05-10)
- 07-38** The previous engagement noted the Department had inadequate controls for awarding, tracking and reporting loans from the Hansen-Therkelsen Memorial Deaf Student College Fund (0123). During the current engagement, we noted the Department recorded loan receivable balances and maintained documentation for each loan. As a result, this finding is not repeated. (Finding Code No. 05-12, 03-13)
- 07-39** The previous engagement noted the Department did not deposit refunds in a timely manner. During the current engagement, we noted the Department monitored the receipt and processing of refund checks to ensure more timely deposits. As a result, this finding is not repeated. (Finding Code No. 05-13)
- 07-40** The previous engagement noted the Department was not maintaining time sheets for its employees in compliance with the State Officials and Employees Ethics Act. During the current engagement, we noted the Department implemented procedures for employees and supervisors to approve monthly timesheets recorded to the closest quarter hour. We conducted additional testing in order to verify that the timesheets were signed and reviewed, noting no exceptions. As a result, this finding is not repeated. (Finding Code No. 05-14)
- 07-41** The previous engagement noted that not all the Illinois Center for Rehabilitation and Education (ICRE) – Wood employees received all the required personnel development training. During the current engagement, we noted that the ICRE-Wood facility has maintained documentation relating to training and has made extensive efforts to ensure that employee training was completed. As a result, this finding is not repeated. (Finding Code No. 05-16, 03-36)
- 07-42** The previous engagement noted the Department did not have sufficient procedures over the review and approval of travel expenditures to ensure travel costs were in compliance with Travel Regulations. During the current engagement, we noted the Department implemented additional procedures to check for duplicate payments and to perform random internal reviews over travel expenditures. As a result, this finding is not repeated. (Finding Code No. 05-18, 03-19)
- 07-43** The previous engagement noted the Department did not timely file Travel Headquarter Reports Form TA-2 with the Legislative Audit Commission. During the current engagement, we noted the Department amended its Administrative Directives and improved its coordination with program areas and Human Resources to ensure timely receipt of supporting reports. As a result, this finding is not repeated. (Finding Code No. 05-19, 03-18)

- 07-44** The previous engagement noted the Department did not adequately restrict programmer access to all production computer programs and data. During the current engagement, we noted the Department implemented procedures to grant programmers update authority to production data only when necessary and maintained an appropriate audit trail. As a result, this finding is not repeated. (Finding Code No. 05-27)
- 07-45** The previous engagement noted issues at the Department's Treatment and Detention Facility related to hiring and staffing policies that should be addressed. The Treatment and Detention Facility is no longer a part of the Central Office engagement. As such, separate special assistant auditors will follow up on prior findings related to the Treatment and Detention Facility. (Finding Code No. 05-28, 03-30)
- 07-46** The previous engagement noted the June 30, 2005 organization chart for the Department's Treatment and Detention Facility had administrative positions that were not filled for 18 of the 54 (33%) positions. The Treatment and Detention Facility is no longer a part of the Central Office engagement. As such, separate special assistant auditors will follow up on prior findings related to the Treatment and Detention Facility. (Finding Code No. 05-29, 03-31)
- 07-47** The previous engagement noted weaknesses in the timekeeping system at the Department's Treatment and Detention Facility including inadequate sign-in procedures when employees arrive for work and inconsistent documentation supporting time off. The Treatment and Detention Facility is no longer a part of the Central Office engagement. As such, separate special assistant auditors will follow up on prior findings related to the Treatment and Detention Facility. (Finding Code No. 05-30, 03-32)
- 07-48** The previous engagement noted the business office at the Department's Treatment and Detention Facility (TDF) had inefficiencies due to lack of updated computer software and integrated systems. We also identified weaknesses in maintaining the TDF Trust Fund checkbook, receipts, and accounts. The Treatment and Detention Facility is no longer a part of the Central Office engagement. As such, separate special assistant auditors will follow up on prior findings related to the Treatment and Detention Facility. (Finding Code No. 05-31, 03-33)
- 07-49** The previous engagement noted the phone system utilized at the Department's Treatment and Detention Facility (TDF) did not allow TDF personnel to adequately review and identify personal phone calls. The Treatment and Detention Facility is no longer a part of the Central Office engagement. As such, separate special assistant auditors will follow up on prior findings related to the Treatment and Detention Facility. (Finding Code No. 05-32, 03-34)

- 07-50** The previous engagement noted the Department's Treatment and Detention Facility had inadequate internal control over access to the commodities inventory and over reporting inventory balances for financial statement purposes. The Treatment and Detention Facility is no longer a part of the Central Office engagement. As such, separate special assistant auditors will follow up on prior findings related to the Treatment and Detention Facility. (Finding Code No. 05-33, 03-35)
- 07-51** The previous engagement noted the Department did not fund the Illinois African-American Commission as mandated by State law. During the current engagement, we were able to obtain documentation showing that the Commission is being funded and is currently active. As a result, this finding is not repeated. (Finding Code No. 05-35)
- 07-52** The previous engagement noted the Department was not in compliance with statutory mandates regarding advisory councils, committees, and boards. During the previous engagement period, the Special Committee on Licensure was not appointed by the Illinois Advisory Council on Alcoholism and Other Drug Dependency, and the Committee on Women's Alcohol and Substance Abuse Treatment and the Interagency Alcoholism and Other Drug Dependency Board did not meet as required by State law.

During the current engagement, we were able to verify that the Women's Committee has been meeting as required by the statute and the Special Committee on Licensure had been appointed by the Illinois Advisory Council. We also noted the Interagency Board has been abolished and the duties were transferred to the Illinois Advisory Council on Alcoholism and Other Drug Dependency. As a result, this finding is not repeated. (Finding Code No. 05-36, 03-27, revised 01-17)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
Status of Management Audits
June 30, 2007

Illinois Department of Public Aid's KidCare Program (July 2002)

In July 2002, the Office of the Auditor General released its report of the Program and Management Audit of the Illinois Department of Public Aid's KidCare program. The audit was conducted pursuant to Senate Resolution 152, which was adopted May 24, 2001. This resolution required the Auditor General to conduct a program and management audit of the Illinois Department of Public Aid's KidCare program.

In addition to the eligibility determination process at Public Aid, Department of Human Services' caseworkers can determine eligibility. As a result of the audit, the Office of the Auditor General developed seven recommendations for the Department of Public Aid to improve its management controls over the KidCare program. Four of the seven recommendations were also applicable to the Department of Human Services.

During fiscal year 2005, we followed up on these recommendations. We noted at that time that the Department was not properly making annual eligibility redeterminations for KidCare services. As a result of this testing, we issued Finding 05-34. During fiscal year 2007, we followed up on this finding and it is again repeated as follows:

- *The Departments of Public Aid and Human Services should assure that income is properly determined and appropriate documentation is included in the case files.*

and

- *The Departments of Public Aid and Human Services should assure the KidCare re-determinations are done when required and income is properly determined.*

We noted the Department continues to work on improving controls related to KidCare income determinations, re-determinations and case file documentation. Electronically determined listings of all required re-determinations are distributed to Local Office staff for follow up on a monthly basis. In addition, the Department emphasized controls related to accurate income determination. We tested a sample of 25 income redeterminations. We noted six exceptions and again drafted a finding noting redeterminations are not consistently being completed on an annual basis. (Finding Code No. 07-30)

Although policies and procedures are in place, due to the complexity of income determinations and the large number of cases maintained in local offices, the system is subject to human error. We recommend the Department continue to strengthen controls related to income determinations, re-determinations and case file documentation.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
Status of Management Audits
June 30, 2007

Illinois Department of Human Services' Early Intervention Program (August 2002)

Legislative Audit Commission Resolution Number 122 directed the Auditor General to examine the adequacy of the Early Intervention Program. In August 2002, the management audit of the Early Intervention Program was released. The management audit resulted in 4 recommendations to the Department.

During fiscal year 2005, we noted the Department made progress in implementing the recommendations; however, the following recommendations were only partially implemented:

- *The Department should ensure that its management information systems provide adequate and accurate information to effectively oversee and manage the Early Intervention Program.*
- *The Department should establish a comprehensive system to monitor provider performance.*
- *The Department should further enhance the monitoring system established over CFCs.*

During fiscal year 2007, we followed up on these remaining items. The Department was able to provide supporting documentation to show that all previously partially implemented recommendations had been fully implemented during our engagement period. Based on our testing, we believe the Department has sufficiently followed up on all management audit recommendations.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
Status of Management Audits
June 30, 2007

Illinois Department of Human Services' Early Intervention Program (April 2002 Follow-up)

In 1993, the Office of the Auditor General completed an audit of the Early Intervention Program. Public Act 92-307, effective August 9, 2001, directed the Office of the Auditor General to conduct a follow-up to its 1993 evaluation of the Department of Human Services' Early Intervention (EI) Program. In April 2002, a follow-up report examining operations of the EI Program was released. The follow-up report resulted in 8 recommendations to the EI Program.

During fiscal year 2005, we noted the Department made progress in implementing the recommendations; however, the following recommendations were only partially implemented:

- *Continue efforts to increase public awareness of the Early Intervention Program, specifically focusing such efforts in areas of the State with low EI Program participation rates.*
- *Continue to monitor and follow-up on cases where children are not receiving services in a timely manner.*
- *The Department should review the appropriateness of CFC caseloads compared to State established and nationally accepted criteria, as called for in the Improvement Plan submitted to the federal Office of Special Education Programs. When CFC caseloads deviate significantly from such criteria and when such deviations are determined to be limiting effective service coordination, appropriate follow-up action should be taken.*
- *The Department and the Illinois Interagency Council on Early Intervention should issue the annual report required by the Illinois Early Intervention Services System Act in a timely manner. Furthermore, the annual report should contain the information required by Section 4 of the Act.*
- *The Department should continue its efforts to implement all the requirements of Public Act 92-307.*

During fiscal year 2007, we followed up on these remaining items. The Department was able to provide supporting documentation to show that all previously partially implemented recommendations had been fully implemented during our engagement period. Based on our testing, we believe the Department has sufficiently followed up on all management audit recommendations.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
Status of Management Audits
June 30, 2007

Illinois Department of Human Services' Flu Vaccine Procurement and I-SaveRx Program

In September 2006, the Office of the Auditor General completed a management audit of the Flu Vaccine Procurement and I-SaveRx Program. That audit noted the Department did not comply with regulations in the Governor's Travel Control Board Travel Guide for State Employees relative to seeking the necessary prior approval for out-of-country travel for the I-SaveRx Program. During the current engagement, we noted no Department staff traveled out-of-country for the I-SaveRx Program. We did note seven instances of Department staff traveling out-of-country during the engagement period; however, there was no cost to the State for these trips. As a result, this finding is not repeated.

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying basic financial statements of the State of Illinois, Department of Human Services was performed by Sikich LLP as special assistants for the Auditor General.

Based on their audit, the auditors expressed an unqualified opinion on the Department's basic financial statements.

Note: The Independent Auditor's Report and financial statements as of and for the year ended June 30, 2006 were previously issued under separate cover. The report dated December 14, 2006 was issued by Sikich LLP as Special Assistant Auditors to the Auditor General and is incorporated herein by reference.



INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the State of Illinois, Department of Human Services (the Department), as of and for the year ended June 30, 2007, which collectively comprise the Department's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Department's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the financial statements of the Department are intended to present the financial position and changes in financial position of only that portion of the governmental activities, the major fund, and the aggregate remaining fund information of the State that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the State of Illinois as of June 30, 2007, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Department, as of June 30, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 22, 2008 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Department has not presented a management's discussion and analysis and budgetary comparison information for any of its funds that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements. The combining General Fund, nonmajor fund and fiduciary fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining General Fund, nonmajor fund and fiduciary fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, the Comptroller, and Department management, and is not intended to be and should not be used by anyone other than these specified parties.

Schick LLP

Springfield, Illinois
May 22, 2008

State of Illinois

Department of Human Services

Statement of Net Assets and Governmental Funds Balance Sheet

June 30, 2007 (Expressed in Thousands)

	General Fund	Other Non-major Funds	Total Governmental Funds	Adjustments	Statement of Net Assets
ASSETS					
Unexpended appropriations	\$ 238,578	\$ 3,060	\$ 241,638	\$ -	\$ 241,638
Cash equity with State Treasurer	13,332	91,028	104,360	-	104,360
Cash and cash equivalents	209	4,483	4,692	-	4,692
Investments	-	2,530	2,530	-	2,530
Due from other government - federal	131,758	60,208	191,966	-	191,966
Due from other government - local	8,200	437	8,637	-	8,637
Taxes receivable, net	-	133	133	-	133
Other receivables, net	23,220	14,314	37,534	-	37,534
Loans and notes receivable, net	-	444	444	-	444
Due from other Department funds	2	3,853	3,855	(3,855)	-
Due from other State funds	82	1,498	1,580	-	1,580
Due from State of Illinois component units	-	2	2	-	2
Inventories	9,944	126	10,070	-	10,070
Prepaid expenses	-	-	-	2,335	2,335
Other assets	-	183	183	-	183
Capital assets not being depreciated	-	-	-	3,248	3,248
Capital assets being depreciated, net	-	-	-	276,371	276,371
Total assets	\$ 425,325	\$ 182,299	\$ 607,624	\$ 278,099	\$ 885,723
LIABILITIES					
Accounts payable and accrued liabilities	\$ 275,964	\$ 79,275	\$ 355,239	-	\$ 355,239
Due to other government - federal	3,212	1,831	5,043	-	5,043
Due to other government - local	16,895	6,060	22,955	-	22,955
Due to other Department fiduciary funds	3	-	3	-	3
Due to other State fiduciary funds	3,490	408	3,898	-	3,898
Due to other Department funds	3,702	153	3,855	(3,855)	-
Due to other State funds	25,091	7,510	32,601	-	32,601
Due to State of Illinois component units	2,268	4,262	6,530	-	6,530
Unavailable revenue	63,929	9,221	73,150	(73,150)	-
Deferred revenue	12,547	32,454	45,001	-	45,001
Long-term obligations:					
Due within one year	-	-	-	3,256	3,256
Due subsequent to one year	-	-	-	70,533	70,533
Total liabilities	407,101	141,174	548,275	(3,216)	545,059
FUND BALANCES/NET ASSETS					
Reserved for:					
Encumbrances	2,175	1,110	3,285	(3,285)	-
Long-term portion of loans and notes receivable	-	403	403	(403)	-
Inventories	9,944	126	10,070	(10,070)	-
Other	-	1,115	1,115	(1,115)	-
Unreserved:					
General funds	6,105	-	6,105	(6,105)	-
Special revenue funds	-	38,273	38,273	(38,273)	-
Permanent funds	-	98	98	(98)	-
Invested in capital assets, net of related debt	-	-	-	279,619	279,619
Restricted net assets:					
Restricted for health and social service programs	-	-	-	366	366
Funds held as permanent investments:					
Nonexpendable purposes	-	-	-	1,115	1,115
Expendable purposes	-	-	-	98	98
Unrestricted net assets	-	-	-	59,466	59,466
Total fund balances/net assets	18,224	41,125	59,349	\$ 281,315	\$ 340,664
Total liabilities and fund balances	\$ 425,325	\$ 182,299	\$ 607,624		

The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois
Department of Human Services
Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Assets
June 30, 2007
(Expressed in Thousands)

Total fund balances-governmental funds	\$	59,349
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		279,619
Prepaid expenses for governmental activities are current uses of financial resources for funds.		2,335
Revenues in the Statement of Activities that do not provide current financial resources are deferred in the funds.		73,150
Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of:		
Capital lease obligations	(307)	
Installment purchase obligations	(377)	
Compensated absences	(73,105)	
	(73,105)	(73,789)
Net assets of governmental activities	\$	<u><u>340,664</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois
Department of Human Services

**Statement of Activities and Governmental Revenues,
Expenditures, and Changes in Fund Balances**

For the Year Ended June 30, 2007 (Expressed in Thousands)

	General Fund	Other Non-major Funds	Total Governmental Funds	Adjustments	Statement of Activities
Expenditures/expenses:					
Health and social services	\$ 3,959,101	\$ 2,428,245	\$ 6,387,346	\$ 35,595	\$ 6,422,941
Debt service - principal	320	9	329	(329)	-
Debt service - interest	87	1	88	-	88
Capital outlays	1,610	454	2,064	(2,064)	-
Total expenditures/expenses	3,961,118	2,428,709	6,389,827	33,202	6,423,029
Program revenues:					
Charges for services:					
Licenses and fees	85	5,243	5,328	-	5,328
Other	161	37,714	37,875	3,226	41,101
Total charges for services	246	42,957	43,203	3,226	46,429
Operating grant revenue:					
Federal	852,652	2,316,194	3,168,846	(44,347)	3,124,499
Other	7,653	-	7,653	2,600	10,253
Total operating grant revenue	860,305	2,316,194	3,176,499	(41,747)	3,134,752
Net program revenues	(3,100,567)	(69,558)	(3,170,125)	(71,723)	(3,241,848)
General revenues:					
Other taxes	-	1,358	1,358	3	1,361
Interest and investment income	858	697	1,555	-	1,555
Other	810	8,352	9,162	(2,642)	6,520
Total general revenues	1,668	10,407	12,075	(2,639)	9,436
Other sources (uses):					
Appropriations from State resources	4,037,555	32,535	4,070,090	-	4,070,090
Lapsed appropriations	(112,528)	(9,434)	(121,962)	-	(121,962)
Receipts collected and transmitted to State Treasury	(636,915)	(20,471)	(657,386)	-	(657,386)
Capital transfers from other State agencies	-	-	-	14,091	14,091
Amount of SAMS transfers-in	(76,383)	-	(76,383)	-	(76,383)
Amount of SAMS transfers-out	4,431	-	4,431	-	4,431
Transfers-in	62	69,112	69,174	(67,699)	1,475
Transfers-out	(77,912)	(825)	(78,737)	67,699	(11,038)
Capital lease and installment purchase financing	395	59	454	(454)	-
Total other sources (uses)	3,138,705	70,976	3,209,681	13,637	3,223,318
Change in fund balance/net assets	39,806	11,825	51,631	(60,725)	(9,094)
Fund balance/net assets, July 1, 2006, as restated	(21,283)	29,348	8,065	341,693	349,758
Decrease for changes in inventories	(299)	(48)	(347)	347	-
Fund balance/net assets, June 30, 2007	\$ 18,224	\$ 41,125	\$ 59,349	\$ 281,315	\$ 340,664

The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois
Department of Human Services
Reconciliation of Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to Statement of Activities
For the Year Ended June 30, 2007
(Expressed in Thousands)

Net change in fund balances	\$ 51,631
Change in inventories	(347)
	51,284
 Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which depreciation in the current period exceeded capital outlays.	(22,566)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	329
Some capital additions were financed through installment purchases. In governmental funds, installment purchases are considered a source of financing, but in the Statement of Net Assets the installment purchase obligation is reported as a liability.	(313)
Some capital additions were financed through capital lease agreements. In governmental funds, capital lease agreements are considered a source of financing, but in the Statement of Net Assets the capital lease agreement obligation is reported as a liability.	(141)
Some capital assets were transferred in from other State agencies and therefore, were received at no cost.	14,091
Proceeds from sales of capital assets are reported in the governmental funds. However, in the Statement of Activities, the book value of capital assets which are sold or scrapped are also reported. This is the book value of capital assets which were sold or scrapped.	(10,007)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(41,029)
Prepaid expenses in the Statement of Activities are reported as expenses in governmental funds.	464
Early terminations of capital lease obligations decrease the outstanding obligations of the Department in the current year.	105
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Below are such activities.	
Increase in compensated absences obligation	(1,311)
Change in net assets of governmental activities	\$ (9,094)

The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois
Department of Human Services

Statement of Fiduciary Net Assets

June 30, 2007 (Expressed in Thousands)

	<u>Private-Purpose Trust</u>	
	Hansen- Therkelsen Memorial Deaf Student College 0123	<u>Agency Funds</u>
ASSETS		
Cash equity with State Treasurer	\$ 885	\$ -
Cash and cash equivalents	-	1,071
Investments	-	1,179
Due from other government - federal	-	60
Other receivables, net	4	6
Due from other Department funds	-	3
Loans and notes receivable	72	-
Total assets	<u>961</u>	<u>\$ 2,319</u>
LIABILITIES		
Accounts payable and accrued liabilities	-	\$ 2,319
Total liabilities	<u>-</u>	<u>\$ 2,319</u>
NET ASSETS		
Held in trust and other purposes	<u>\$ 961</u>	

The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois
Department of Human Services

Statement of Changes in Fiduciary Net Assets

For the Year Ended June 30, 2007 (Expressed in Thousands)

	<u>Private-Purpose Trust</u> <u>Hansen-Therkelsen Memorial Deaf Student College 0123</u>
Additions:	
Investment earnings:	
Interest, dividends and other investment income	\$ 47
Total investment earnings	<u>47</u>
Total additions	<u>47</u>
Other deductions	<u>1</u>
Total deductions	<u>1</u>
Change in net assets	46
Net assets, July 1, 2006	<u>915</u>
Net assets, JUNE 30, 2007	<u><u>\$ 961</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

Notes to Financial Statements

June 30, 2007

(1) Organization

The Department of Human Services (the Department) is a part of the executive branch of government of the State of Illinois (State) and operates under the authority of and review by the Illinois General Assembly. The Department operates under a budget approved by the General Assembly in which resources primarily from the General Fund are appropriated for the use of the Department. Activities of the Department are subject to the authority of the Office of the Governor, the State's chief executive officer, and other departments of the executive and legislative branches of government (such as the Department of Central Management Services, the Governor's Office of Management and Budget, the State Treasurer's Office, and the State Comptroller's Office) as defined by the Illinois General Assembly. All funds appropriated to the Department and all other cash received are under the custody and control of the State Treasurer, excluding all locally-held funds authorized by State law.

The Department is organized to assist Illinois residents to achieve self-sufficiency, independence and health to the maximum extent possible by providing integrated family-oriented services, promoting prevention and establishing measurable outcomes in partnership with communities.

(2) Summary of Significant Accounting Policies

The financial statements of the Department have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB). To facilitate the understanding of data included in the financial statements, summarized below are the more significant accounting policies.

(a) Financial Reporting Entity

As defined by GAAP, the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's board and either (a) the primary government's ability to impose its will, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- 2) Fiscal dependency on the primary government.

Based upon the required criteria, the Department has no component units and is not a component unit of any other entity. However, because the Department is not legally separate from the State of Illinois, the financial statements of the Department are included in the financial statements of the State of Illinois. The State of Illinois' Comprehensive Annual Financial Report may be obtained by writing to the State Comptroller's Office, Division of Financial Reporting, 325 West Adams Street, Springfield, Illinois, 62704-1871.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

Notes to Financial Statements

June 30, 2007

(b) Basis of Presentation

The financial statements of the State of Illinois, Department of Human Services, are intended to present the financial position and the changes in financial position of only that portion of the governmental activities, each major fund of the State of Illinois, and the aggregate remaining fund information of the State of Illinois that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the State of Illinois as of June 30, 2007 and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The financial activities of the Department, which consist only of governmental activities, are reported under the health and social services function in the State of Illinois' Comprehensive Annual Financial Report. For reporting purposes, the Department has combined the fund and government-wide financial statements using a columnar format that reconciles individual line items of fund financial data to government-wide data in a separate column. A brief description of the Department's government-wide and fund financial statements is as follows:

Government-wide Statements: The government-wide statement of net assets and statement of activities report the overall financial activity of the Department, excluding fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities of the Department. The financial activities of the Department consist only of governmental activities, which are primarily supported by taxes and intergovernmental revenues.

The statement of net assets presents the assets and liabilities of the Department's governmental activities with the difference being reported as net assets. The assets and liabilities are presented in order of their relative liquidity by class of asset or liability with liabilities whose average maturities are greater than one year reported in two components - the amount due within one year and the amount due in more than one year.

The statement of activities presents a comparison between direct expenses and program revenues for the health and social services function of the Department's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Department's funds, including fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis on fund financial statements is on the major governmental fund, which is displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Department administers the following major governmental fund (or portions thereof in the case of shared funds – see note 2(d)) of the State:

General – This is the State's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

Notes to Financial Statements

June 30, 2007

services which are administered by the Department and accounted for in the General Fund include, among others, health and social services. Certain resources obtained from federal grants and used to support general governmental activities are accounted for in the General Fund consistent with applicable legal requirements. The Department's portion of the General Fund is composed of a primary sub-account (General Revenue) and four secondary sub-accounts (Community Developmental Disabilities Services Medicaid Trust, Care Provider Fund for Persons with Developmental Disabilities, Community Mental Health Medicaid Trust, and DHS Recoveries Trust).

Additionally, the Department reports the following fund types:

Governmental Fund Types:

Special Revenue – These funds account for resources obtained from specific revenue sources that are legally restricted to expenditures for specified purposes. Special revenue funds account for, among other things, federal grant programs, taxes levied with statutorily defined distributions and other resources restricted as to purpose.

Permanent – These funds account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the government or its citizens.

Fiduciary Fund Types:

Private Purpose – These funds account for resources legally held in trust for use by individuals the Department serves. All resources of these funds, including any earnings on invested resources, may be used to support these individuals. There is no requirement that any portion of these resources be preserved as capital.

Agency – These funds account for receipts from individuals or groups of individuals at the Department's mental health and developmental centers, and schools, as well as electronic benefit transfers, and receipts from the Federal Government for transfer to other funds for social service programs. These funds are collected by the Department, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

(c) *Measurement Focus and Basis of Accounting*

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Department gives (or receives) value without directly receiving (or giving) equal value in exchange, include intergovernmental grants. Revenue from grants, entitlements, and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

Notes to Financial Statements

June 30, 2007

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the State considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, principal and interest on formal debt issues, claims and judgments, and compensated absences are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Significant revenue sources which are susceptible to accrual include intergovernmental grants, charges for services, and interest and other investment income. All other revenue sources including fines and other miscellaneous revenues are considered to be measurable and available only when cash is received.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

(d) Shared Fund Presentation

The financial statement presentation for the General Revenue and Care Provider Fund for Persons with Developmental Disabilities subaccounts of the General Fund and the Tobacco Settlement Recovery Fund, Maternal and Child Health Services Block Grant Fund, and Preventive Health and Health Services Block Grant Fund, nonmajor governmental funds, represents only the portion of the shared fund that can be directly attributed to the operations of the Department. Financial statements for total fund operations of the shared State funds are presented in the State of Illinois' Comprehensive Annual Financial Report.

In presenting these financial statements, certain unique accounts are used for the presentation of shared funds. The following accounts are used in these financial statements to present the Department's portion of shared funds:

Unexpended Appropriations

This "asset" account represents lapse period warrants issued between July and August annually in accordance with the Statewide Accounting Management System (SAMS) records plus any liabilities relating to obligations re-appropriated to the subsequent fiscal year.

Appropriations from State Resources

This "other financing source" account represents the final legally adopted appropriation according to SAMS records.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

Notes to Financial Statements

June 30, 2007

Lapsed Appropriations

Lapsed appropriations are the legally adopted appropriations less net warrants issued for the 14 month period from July to August of the following year and re-appropriations to subsequent years according to SAMS records.

Receipts Collected and Transmitted to State Treasury

This “other financing use” account represents all cash receipts received during the fiscal year from SAMS records.

Amount of SAMS Transfers-In

This “other financing use” account represents cash transfers made by the Office of the Comptroller in accordance with statutory provisions to the corresponding fund during the fiscal year per SAMS records in which the Department did not make a deposit into the State Treasury.

Amount of SAMS Transfers-Out

This “other financing source” account represents cash transfers made by the Office of the Comptroller in accordance with statutory provision from the corresponding fund during the fiscal year per SAMS records in which a legally adopted appropriation was not charged.

(e) *Eliminations*

Eliminations have been made in the government-wide statement of net assets to minimize the “grossing-up” effect on assets and liabilities within the governmental activities column of the Department. As a result, amounts reported in the governmental funds balance sheet as interdepartmental interfund receivables and payables have been eliminated in the government-wide statement of net assets. Amounts reported in the governmental funds balance sheet as receivable from or payable to fiduciary funds have been included in the government-wide statement of net assets as receivable from and payable to external parties, rather than as internal balances.

(f) *Cash and Cash Equivalents*

Cash equivalents are defined as short-term, highly liquid investments readily convertible to cash with maturities of less than 90 days at the time of purchase. Cash and cash equivalents include cash on hand, cash in banks, certificates of deposit, and money market accounts for locally held funds.

(g) *Investments*

Investments are reported at fair value. The Department holds investments pursuant to statutory authority for locally held funds.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

Notes to Financial Statements

June 30, 2007

(h) Inventories

For governmental funds, the Department recognizes the costs of inventories as expenditures when purchased. At year-end, physical counts are taken of significant inventories, consisting primarily of food and drugs maintained at the mental health and developmental centers, in governmental funds and are reported at weighted average cost. The remaining inventories are valued at replacement cost. Inventories reported in governmental funds do not reflect current appropriable resources, and therefore, the Department reserves an equivalent portion of fund balance.

(i) Interfund Transactions

The Department has the following types of interfund transactions between Department funds and funds of other State agencies:

Services provided and used—sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as interfund receivables and payables in the governmental funds balance sheets or the government-wide statements of net assets.

Reimbursements—repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers—flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

The Department also has activity with various component units of the State of Illinois for professional services received and payments for State and Federal programs.

(j) Capital Assets

Capital assets, which include property, plant, and equipment, are reported at cost or estimated historical cost based on appraisals. Contributed assets are reported at estimated fair value at the time received. Capital assets are depreciated using the straight-line method.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

Notes to Financial Statements

June 30, 2007

Capitalization thresholds and the estimated useful lives are as follows:

Capital Asset Category	Capitalization Threshold	Estimated Useful Life (in Years)
Land	\$100,000	N/A
Land Improvements	25,000	N/A
Site Improvements	25,000	3-50
Buildings	100,000	10-60
Building Improvements	25,000	10-45
Equipment	5,000	3-25

(k) *Compensated Absences*

The liability for compensated absences reported in the government-wide statement of net assets consists of unpaid, accumulated vacation and sick leave balances for Department employees. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. The liability has been calculated based on the employees' current salary level and includes salary related costs (e.g., Social Security and Medicare taxes).

Legislation that became effective January 1, 1998 capped the paid sick leave for all State Employees' Retirement System members at December 31, 1997. Employees continue to accrue twelve sick days per year, but will not receive monetary compensation for any additional time earned after December 31, 1997. Sick days earned between 1984 and December 31, 1997 (with a 50% cash value) would only be used after all days with no cash value are depleted. Any sick days earned and unused after December 31, 1997 will be converted to service time for purposes of calculating employee pension benefits.

(l) *Fund Balances*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties as to use for specific purposes. Designations of fund balances represent tentative State plans that are subject to change.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

Notes to Financial Statements

June 30, 2007

(m) Net Assets

In the government-wide statement of net assets, equity is displayed in three components as follows:

Invested in Capital Assets, Net of Related Debt – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. The Department’s restricted net assets are all restricted by enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the State’s policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted – This consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

(n) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(o) Future Adoption of GASB Statements

Effective for the year ending June 30, 2008 the Department will adopt GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenue*, which established accounting and financial reporting standards for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues. The Department has not yet determined the impact on the Department’s financial statements as a result of adopting this statement.

(3) Deposits and Investments

(a) Deposits

The State Treasurer is the custodian of the Department’s deposits and investments for funds maintained in the State Treasury. The Department independently manages deposits and investments maintained outside the State Treasury.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

Notes to Financial Statements

June 30, 2007

Deposits in the custody of the State Treasurer are pooled and invested with other State funds in accordance with the Deposit of State Moneys Act of the Illinois Compiled Statutes (15 ILCS 520/11). Funds held by the State Treasurer have not been categorized as to credit risk because the Department does not own individual securities. Detail on the nature of these deposits and investments is available within the State of Illinois' Comprehensive Annual Financial Report.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Department is required by the State Officers and Employees Money Disposition Act (30 ILCS 230/2c) to obtain a bond, pledged securities, or other eligible collateral equal to or greater than the uninsured portion of the deposit. Deposits for locally-held funds of governmental activities had a carrying amount and a bank balance of \$6.055 and \$6.054 million at June 30, 2007, respectively. Deposits of locally-held funds of fiduciary funds had a carrying amount and a bank balance of \$2.220 million at June 30, 2007. Of the total bank balances, \$4.717 million was exposed to custodial credit risk (amounts expressed in thousands) as follows:

Uninsured and collateral held by the pledging financial institution (but not in its trust department or agent) in the Department's name	\$ 1,714
Uninsured and collateral not held in the Department's name	<u>3,003</u>
	<u><u>\$ 4,717</u></u>

(b) Investments

As of June 30, 2007, the Department had the following investments outside of the State Treasury:

	Fair Value (Thousands)	Weighted Average Maturity (Years)
<i>Governmental Funds</i>		
U.S. Treasury Notes	\$ 53	2.000
Illinois Public Treasurers' Investment Pool	<u>1,078</u>	0.020
	<u><u>\$ 1,131</u></u>	

Interest Rate Risk: The Department does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: The Department does not have a formal investment policy that limits investment choices. The Illinois Public Treasurers' Investment Pool was rated AAAM by Standard & Poor's.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

Notes to Financial Statements

June 30, 2007

(c) Reconciliation to Statement of Net Assets and Statement of Fiduciary Net Assets

The amounts reported as investments in the Statement of Net Assets and the Statement of Fiduciary Net Assets contain certain long-term deposits to reflect their lack of liquidity. A reconciliation (amounts expressed in thousands) follows:

<i>Governmental Activities</i>	Cash and Cash Equivalents/ Deposits	Investments
Amounts Per Note	\$ 6,055	\$ 1,131
Deposits held for investment purposes	(1,532)	1,532
Cash equivalents	133	(133)
Petty cash	36	-
Amounts per Statement of Net Assets	\$ 4,692	\$ 2,530
<i>Fiduciary Funds</i>	Cash and Cash Equivalents/ Deposits	Investments
Amounts Per Note	\$ 2,220	\$ -
Deposits held for investment purposes	(1,179)	1,179
Petty cash	30	-
Amounts per Statement of Fiduciary Net Assets	\$ 1,071	\$ 1,179

(4) Other Receivables

Other receivables at June 30, 2007, (expressed in thousands) consisted of the following:

Revenue Source	Governmental Funds		Fiduciary Funds
	General Fund	Nonmajor Funds	
Fines and fees	\$ -	\$ 410	\$ -
Public assistance recoveries	460,315	5	-
Rebates	-	12,561	-
Recipient services	-	14,772	-
Investment and other income	36	69	10
Total other receivables	460,351	27,817	10
Allowance for uncollectible amounts	(437,131)	(13,503)	-
Other receivables, net	\$ 23,220	\$ 14,314	\$ 10

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

Notes to Financial Statements

June 30, 2007

(5) Interfund Balances and Activity

(a) Balances Due to/from Other Funds

The following balances (amounts expressed in thousands) at June 30, 2007 represent amounts due from other Department and State of Illinois funds.

<u>Fund</u>	<u>Due from</u>		<u>Description/Purpose</u>
	<u>Other Department Funds</u>	<u>Other State Funds</u>	
General	\$ 2	\$ 82	Due from other Department funds and other State funds for expenditure reimbursements.
Nonmajor governmental funds	3,853	1,498	Due from other Department funds and other State funds for expenditure reimbursements.
Fiduciary	3	-	Due from other Department funds for expenditure reimbursements.
	<u>\$ 3,858</u>	<u>\$ 1,580</u>	

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

Notes to Financial Statements

June 30, 2007

The following balances (amounts expressed in thousands) at June 30, 2007 represent amounts due to other Department and State of Illinois funds.

<u>Fund</u>	<u>Due to</u>				<u>Description/Purpose</u>
	<u>Other Department Funds</u>	<u>Other State Funds</u>	<u>Other Department Fiduciary Funds</u>	<u>Other State Fiduciary Funds</u>	
General	\$ 3,702	\$ 25,091	\$ 3	\$ 3,490	Due to other Department funds and other Department fiduciary funds for expenditure reimbursements, other State funds for expenditure reimbursements, and other State fiduciary funds for postemployment benefits.
Nonmajor governmental funds	153	7,510	-	408	Due to other Department funds and other Department fiduciary funds for expenditure reimbursements, other State funds for expenditure reimbursements, and other State fiduciary funds for postemployment benefits.
	<u>\$ 3,855</u>	<u>\$ 32,601</u>	<u>\$ 3</u>	<u>\$ 3,898</u>	

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

Notes to Financial Statements

June 30, 2007

(b) Transfers to/from Other Funds

Interfund transfers in (amounts expressed in thousands) for the year ended June 30, 2007, were as follows:

<u>Fund</u>	<u>Transfers-in from</u>		<u>Description/Purpose</u>
	<u>Other Department Funds</u>	<u>Other State Funds</u>	
General	\$ 62	\$ -	Transfer from other Department funds pursuant to statute.
Nonmajor governmental funds	67,637	1,475	Transfers from other Department funds and other State funds pursuant to statute and annual appropriations bill.
	<u>\$ 67,699</u>	<u>\$ 1,475</u>	

Interfund transfers out (amounts expressed in thousands) for the year ended June 30, 2007, were as follows:

<u>Fund</u>	<u>Transfers-out to</u>		<u>Description/Purpose</u>
	<u>Other Department Funds</u>	<u>Other State Funds</u>	
General	\$ 67,454	\$ 10,458	Transfers to other Department funds pursuant to statute and to other State funds for State budget shortfalls and debt service requirements.
Nonmajor governmental funds	245	580	Transfers to other Department funds pursuant to statute and other State funds for State budget shortfalls.
	<u>\$ 67,699</u>	<u>\$ 11,038</u>	

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

Notes to Financial Statements

June 30, 2007

(c) Balances due from/to State of Illinois Component Units

Chicago State University owes the Department \$2 thousand for reimbursement of advances on grant expenditures at June 30, 2007.

The following balances (amounts expressed in thousands) at June 30, 2007 represent amounts due to State of Illinois Component Units for reimbursement for expenses incurred.

Component Unit	Due to	
	General Fund	Nonmajor Governmental Fund
Toll Highway Authority	\$ 1	\$ -
Chicago State University	66	1
Eastern Illinois University	11	66
Governors State University	11	14
Northeastern Illinois University	1	6
Western Illinois University	-	105
Illinois State University	-	5
Northern Illinois University	10	117
Southern Illinois University	97	521
University of Illinois	2,071	3,427
	\$ 2,268	\$ 4,262

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

Notes to Financial Statements

June 30, 2007

(6) Capital Assets

Capital asset activity (amounts expressed in thousands) for the year ended June 30, 2007 was as follows:

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Net Transfers</u>	<u>Balance June 30, 2007</u>
Capital assets not being depreciated:					
Land and land improvements	\$ 3,248	\$ -	\$ -	\$ -	\$ 3,248
Total capital assets not being depreciated	<u>3,248</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,248</u>
Capital assets being depreciated:					
Site improvements	103,752	-	70	-	103,682
Buildings and building improvements	637,379	-	10,107	14,091	641,363
Equipment	53,641	1,923	7,046	-	48,518
Capital leases - equipment	478	141	-	-	619
Total capital assets being depreciated	<u>795,250</u>	<u>2,064</u>	<u>17,223</u>	<u>14,091</u>	<u>794,182</u>
Less accumulated depreciation:					
Site improvements	64,165	3,325	7	-	67,483
Buildings and building improvements	392,478	21,115	2,733	-	410,860
Equipment	43,596	-	4,476	-	39,120
Capital leases - equipment	158	190	-	-	348
Total accumulated depreciation	<u>500,397</u>	<u>24,630</u>	<u>7,216</u>	<u>-</u>	<u>517,811</u>
Total capital assets being depreciated, net	<u>294,853</u>	<u>(22,566)</u>	<u>10,007</u>	<u>14,091</u>	<u>276,371</u>
Total capital assets, net	<u>\$ 298,101</u>	<u>\$ (22,566)</u>	<u>\$ 10,007</u>	<u>\$ 14,091</u>	<u>\$ 279,619</u>

Depreciation expense for governmental activities (amounts expressed in thousands) for the year ended June 30, 2007 was charged as follows:

Health and social services \$ 24,630

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DEPARTMENT OF HUMAN SERVICES**

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June 30, 2007

During fiscal year 2002, the Department closed the Lincoln Developmental Center which has a book value of \$12.832 million, net of \$31.571 million in accumulated depreciation. It is unknown whether the Center will be placed back into service in the future.

(7) Long-Term Obligations

(a) Changes in Long-Term Obligations

Changes in long-term obligations (amounts expressed in thousands) for the year ended June 30, 2007 were as follows:

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007	Amounts Due Within One Year
Other long-term obligations:					
Compensated Absences	\$ 71,794	\$ 89,245	\$ 87,934	\$73,105	\$ 2,924
Capital lease obligations	346	141	180	307	231
Installment purchase obligations	318	313	254	377	101
Total	\$ 72,458	\$ 89,699	\$ 88,368	\$73,789	\$ 3,256

Compensated absences have been liquidated by the applicable governmental funds that account for the salaries and wages of the related employees.

(b) Capital lease obligations

The Department leases office and computer equipment with a historical cost and accumulated depreciation (amounts expressed in thousands) of \$619 and \$348, respectively, under capital lease arrangements. Although lease terms vary, certain leases are renewable subject to appropriation by the General Assembly. If renewal is reasonably assured, leases requiring appropriation by the General Assembly are considered noncancelable leases for financial reporting. Future minimum lease payments (amounts expressed in thousands) at June 30, 2007 are as follows:

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June 30, 2007

Year Ending June 30	Principal	Interest	Total
2008	\$ 231	\$ 43	\$ 274
2009	59	12	71
2010	17	-	17
	<u>\$ 307</u>	<u>\$ 55</u>	<u>\$ 362</u>

(c) Installment purchase obligations

The Department has acquired certain office equipment, computer equipment, and other assets through installment purchase arrangements. Future debt service requirements under installment purchase contracts (amounts expressed in thousands) at June 30, 2007, are as follows:

Year Ending June 30	Principal	Interest	Total
2008	\$ 101	\$ 16	\$ 117
2009	105	12	117
2010	110	7	117
2011	61	2	63
	<u>\$ 377</u>	<u>\$ 37</u>	<u>\$ 414</u>

(8) Pension Plan

Substantially all of the Department's full-time employees who are not eligible for participation in another state-sponsored retirement plan participate in the State Employees' Retirement System (SERS), which is a pension trust fund in the State of Illinois reporting entity. The SERS is a single-employer defined benefit public employee retirement system (PERS) in which State employees participate, except those covered by the State Universities, Teachers', General Assembly, and Judges' Retirement Systems. The financial position and results of operations of the SERS for fiscal year 2007 are included in the State of Illinois' Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2007. The SERS issues a separate CAFR that may be obtained by writing to the SERS, 2101 South Veterans Parkway, Springfield, Illinois, 62794-9255.

A summary of SERS benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the SERS' CAFR. The Department pays employer retirement contributions based upon an actuarially determined percentage of their payrolls. For fiscal year 2007, the employer contribution rate was 11.525%.

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June 30, 2007

(9) Post-employment Benefits

The State provides health, dental, and life insurance benefits for certain retirees and their dependents. Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State sponsored pension plans. Health and dental benefits include basic benefits for annuitants under the State's self-insurance plan and insurance contracts currently in force. Life insurance benefits are limited to \$5,000 per annuitant age 60 and older. The total cost of health, dental, and life insurance benefits of all members, including post-employment health, dental, and life insurance benefits, is recognized as an expenditure by the State in the Illinois Comprehensive Annual Financial Report. The total costs incurred for health, dental, and life insurance benefits are not separated by Department for annuitants and their dependents nor active employees and their dependents.

(10) Fund Deficits

The Prevention and Treatment of Alcoholism and Substance Abuse Block Grant, Federal National Community Services, and Alcoholism and Substance Abuse, nonmajor governmental funds, had fund deficits (amounts expressed in thousands) of \$25, \$91, and \$75, respectively, at June 30, 2007. These deficits will be eliminated by future recognition of earned but unavailable revenues and from future revenues.

(11) Risk Management

The Department is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; aviation liability; auto liability; workers compensation; and natural disasters. The State retains the risk of loss (i.e. self insured) for these risks.

(12) Commitments and Contingencies

(a) Operating leases

The Department leases office facilities, office equipment, and computer equipment under the terms of noncancelable operating lease agreements that require the Department to make minimum lease payments plus pay a pro rata share of certain operating costs. Rent expense under operating leases was \$15.636 million for the year ended June 30, 2007.

The following is a schedule of future minimum lease payments under operating leases (amounts expressed in thousands):

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DEPARTMENT OF HUMAN SERVICES**

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<u>Year ending June 30,</u>	<u>Amount</u>
2008	\$ 114
2009	<u>52</u>
	<u>\$ 166</u>

(b) Federal Funding

The Department receives federal grants which are subject to review and audit by federal grantor agencies. Certain costs could be questioned as not being an eligible expenditure under the terms of the grants and subject to repayment by the Department. Generally, no provision for repayment is recorded until the federal grantor agency has determined a repayment is necessary. Identified questioned costs are reported in the State of Illinois Single Audit Report. A copy of the report may be obtained by contacting the State of Illinois Office of the Auditor General, Iles Park Plaza, 740 East Ash Street, Springfield, IL 62703-3154.

For federal grant programs in which questioned costs could be determined, the State of Illinois Single Audit Reports for the years ended June 30, 2006, June 30, 2005, and June 30, 2004 include questioned costs totaling \$1.0, \$9.6, and \$6.6 million, respectively, for the Department that have not been resolved. Management of the Department disagrees with the determination of questioned costs and has provided documentation supporting their position to the federal grantor agency conducting the review. The Department expects questioned costs to be reported in the State of Illinois Single Audit Report for the year ended June 30, 2007.

(c) Litigation

The Department has been named as a defendant in the cases disclosed in the following paragraphs. The Department's opinion based on the current status is that the likelihood of a negative outcome in each case is not probable but could be reasonably possible. The Department intends to vigorously defend all of these actions and in the event a material action is settled against the Department, such amounts, which are currently unable to be estimated, would be paid from future appropriations or by another State agency. Accordingly, no amounts have been recorded in the accompanying financial statements related to outstanding litigation.

Ligas v. Maram is a complaint for declaratory and injunctive relief filed against the Department and the Department of Healthcare and Family Services by nine individuals with mental retardation and other developmental disabilities who claim violation of various federal statutes, including the Americans with Disabilities Act, in connection with defendant's alleged failure to provide them with appropriate services sufficient to permit them to live in more integrated settings. This case is in the formal discovery stage. Trial is scheduled to commence in October 2008.

Maitland v. Waitley is a medical malpractice case involving an alleged failure to diagnose plaintiff's chronic fungal meningitis while plaintiff was a patient at Elgin Mental Health Center

**STATE OF ILLINOIS
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from August 22, 2002 to November 2, 2002. The Department is represented by outside Legal Counsel. Discovery is nearly completed; however, no trial date has been set.

Porrata v. Malis is a professional negligence action brought by the estate of a former resident at Chicago Read Mental Health Center as a result of injuries sustained by the resident who tried to commit suicide by hanging himself in a Read bathroom. The resident is now alleged to be in a persistent vegetative state. The case is in discovery phase. It is anticipated that this case will go to trial during early fiscal year 2009.

Williams v. Blagojevich is a complaint for declaratory and injunctive relief filed against the Department, the Department of Healthcare and Family Services, and the Department of Public Health. The plaintiffs are four individuals with mental illness who claim violation of various federal statutes, including the Americans with Disabilities Act, in connection with Defendants' alleged failure to provide them with services in the most integrated setting appropriate to their needs. This case is in the discovery stage. No trial date has been set.

Schrik v. Omole is a wrongful death case brought by the estate of a former Howe Developmental Center (HDC) resident alleging negligence on the part of the HDC employees for picking up the resident who fell, allegedly causing a neck injury and quadriplegia and ultimately, death. The employee involved is represented by outside legal counsel. This case was voluntarily dismissed by the plaintiff prior to June 30, 2007 but has since been refiled. No trial date is scheduled.

The Department has also been named as a defendant in several other lawsuits relating to the operation of its facilities. While the Department has denied these allegations, the Department's attorneys have determined that possible losses, in presently indeterminable amounts, may arise from these actions. In the event a material action is settled against the Department, such amounts would be paid from future appropriations of the Department or by future appropriations to another State agency.

In addition, the Department is routinely involved in a number of legal proceedings and claims that cover a wide range of matters. In the opinion of management, the outcome of these matters is not expected to have any material adverse effect on the financial position or results of operations of the Department.

(d) Tax claim

The IRS alleges that the Department faces potential tax liability for an alleged "misclassification" of certain individuals as independent contractors as opposed to employees. The IRS settlement proposal required DHS to reclassify the independent contractors as employees for Federal employment tax purposes and to pay penalties of \$452 thousand to discharge liability for tax years 2000 to the present. DHS rejected the IRS' offer. Following a Final Determination Order by the IRS, the Department filed an appeal which is pending. If a settlement is not reached, a judgment including taxes and penalties could exceed \$10 million.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

Notes to Financial Statements

June 30, 2007

(13) Restatement

The Department restated the beginning fund balance in the General Fund by \$20.963 million and the Early Intervention Services Revolving Fund, a nonmajor government fund, by \$7.384 million due to prior overstatements of liabilities.

	<u>Governmental Activities</u>	<u>General</u>	<u>Other Nonmajor Governmental Funds</u>
Fund Balance/Net Assets, June 30, 2006, as previously reported	\$ 321,411	\$ (42,246)	\$ 21,964
Restatement of Fund Balance/Net Assets: Prior overstatement of liabilities	<u>28,347</u>	<u>20,963</u>	<u>7,384</u>
Fund Balance/Net Assets, June 30, 2006, as restated	<u><u>\$ 349,758</u></u>	<u><u>\$ (21,283)</u></u>	<u><u>\$ 29,348</u></u>

**State of Illinois
Department of Human Services**

**Combining Schedule of Accounts -
General Fund**

June 30, 2007 (Expressed in Thousands)

	General Revenue 0001	Care Provider Fund for				Eliminations	Total
		Community DD Services Medicaid Trust 0142	Persons with Developmental Disabilities 0344	Community Mental Health Medicaid Trust 0718	DHS Recoveries Trust 0921		
ASSETS							
Unexpended appropriations	\$ 238,296	\$ -	\$ 282	\$ -	\$ -	\$ -	238,578
Cash equity with State Treasurer	699	2,962	-	8,725	946	-	13,332
Cash and cash equivalents	209	-	-	-	-	-	209
Due from other government - federal	92,927	21,201	-	17,630	-	-	131,758
Due from other government - local	8,200	-	-	-	-	-	8,200
Other receivables, net	440	12	-	24	22,744	-	23,220
Due from other Department funds	14,730	-	-	-	(14,728)	-	2
Due from other State funds	82	-	-	-	-	-	82
Inventories	9,944	-	-	-	-	-	9,944
Total assets	\$ 365,527	\$ 24,175	\$ 282	\$ 26,379	\$ 23,690	\$ (14,728)	\$ 425,325
LIABILITIES							
Accounts payable and accrued liabilities	\$ 263,261	\$ 982	\$ 8,503	\$ 2,705	\$ 513	\$ -	\$ 275,964
Due to other government - federal	2,220	-	-	-	992	-	3,212
Due to other government - local	16,862	-	-	33	-	-	16,895
Due to other Department fiduciary funds	3	-	-	-	-	-	3
Due to other State fiduciary funds	3,478	-	-	-	12	-	3,490
Due to other Department funds	3,702	14,134	-	-	594	(14,728)	3,702
Due to other State funds	24,960	-	-	-	131	-	25,091
Due to State of Illinois component units	2,185	-	-	83	-	-	2,268
Unavailable revenue	38,597	-	-	3,884	21,448	-	63,929
Deferred revenue	12,547	-	-	-	-	-	12,547
Total liabilities	\$ 367,815	\$ 15,116	\$ 8,503	\$ 6,705	\$ 23,690	\$ (14,728)	\$ 407,101
FUND BALANCES (DEFICITS)							
Reserved for:							
Encumbrances	2,035	-	3	-	137	-	2,175
Inventories	9,944	-	-	-	-	-	9,944
Unreserved	(14,267)	9,059	(8,224)	19,674	(137)	-	6,105
Total fund balances (deficits)	(2,288)	9,059	(8,221)	19,674	-	-	18,224
Total liabilities and fund balances (deficits)	\$ 365,527	\$ 24,175	\$ 282	\$ 26,379	\$ 23,690	\$ (14,728)	\$ 425,325

**State of Illinois
Department of Human Services**

**Combining Schedule of Revenues,
Expenditures and Changes in Fund Balance -
General Fund**

For the Year Ended June 30, 2007 (Expressed in Thousands)

	General Revenue 0001	Community DD Services Medicaid Trust 0142	Community DD Persons with Developmental Disabilities 0344	Community Mental Health Medicaid Trust 0718	DHS Recoveries Trust 0921	Eliminations	Total
REVENUES							
Federal operating grants	\$ 718,744	\$ 41,639	\$ -	\$ 92,269	\$ -	\$ -	\$ 852,652
Licenses and fees	85	-	-	-	-	-	85
Interest and investment income	-	177	-	681	-	-	858
Other revenues	810	-	-	-	-	-	810
Other charges for services	161	-	-	-	9,075	(9,075)	161
Other operating grants	7,653	-	-	-	-	-	7,653
Total revenues	727,453	41,816	-	92,950	9,075	(9,075)	862,219
EXPENDITURES							
Health and social services	3,829,512	5,000	42,184	85,181	6,299	(9,075)	3,959,101
Debt service - principal	320	-	-	-	-	-	320
Debt service - interest	87	-	-	-	-	-	87
Capital outlays	1,610	-	-	-	-	-	1,610
Total expenditures	3,831,529	5,000	42,184	85,181	6,299	(9,075)	3,961,118
Excess (deficiency) of revenues over (under) expenditures	(3,104,076)	36,816	(42,184)	7,769	2,776	-	(3,098,899)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES							
Appropriations from State resources	3,997,555	-	40,000	-	-	-	4,037,555
Lapsed appropriations	(112,527)	-	(1)	-	-	-	(112,528)
Receipts collected and transmitted to State Treasury	(636,915)	-	-	-	-	-	(636,915)
Amount of SAMS transfers-in	(76,383)	-	-	-	-	-	(76,383)
Amount of SAMS transfers-out	4,431	-	-	-	-	-	4,431
Transfers-in	12,559	-	-	-	-	(12,497)	62
Transfers-out	(73,207)	(14,426)	-	-	(2,776)	12,497	(77,912)
Capital lease and installment purchase financing	395	-	-	-	-	-	395
Net other sources (uses) of financial resources	3,115,908	(14,426)	39,999	-	(2,776)	-	3,138,705
Net change in fund balances	11,832	22,390	(2,185)	7,769	-	-	39,806
Fund balances (deficits), July 1, 2006, as restated	(13,821)	(13,331)	(6,036)	11,905	-	-	(21,283)
Decrease for changes in inventories	(299)	-	-	-	-	-	(299)
FUND BALANCES (DEFICITS), JUNE 30, 2007	\$ (2,288)	\$ 9,059	\$ (8,221)	\$ 19,674	\$ -	\$ -	\$ 18,224

**State of Illinois
Department of Human Services**

**Combining Balance Sheet -
Non-major Governmental Funds**

June 30, 2007 (Expressed in Thousands)

	Special Revenue						
	Prevention and Treatment of Alcoholism and Substance Abuse Block Grant 0013	Illinois Veterans' Rehabilitation 0036	Mental Health 0050	Vocational Rehabilitation 0081	Assistance to the Homeless 0100	Youth Alcoholism and Substance Abuse Prevention 0128	Mental Health Transportation 0134
ASSETS							
Unexpended appropriations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash equity with State Treasurer	314	2,326	7,261	12,524	171	113	456
Cash and cash equivalents	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Due from other government - federal	20,473	-	12,123	7,897	-	-	-
Due from other government - local	-	-	-	-	-	-	-
Taxes receivable, net	-	-	133	-	-	-	-
Other receivables, net	-	-	717	585	-	-	-
Loans and notes receivable, net	-	-	-	-	-	-	-
Due from other Department funds	-	-	32	1,665	-	-	-
Due from other State funds	-	-	952	-	10	-	-
Due from State of Illinois component units	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-
Total assets	\$ 20,787	\$ 2,326	\$ 21,218	\$ 22,671	\$ 181	\$ 113	\$ 456
LIABILITIES							
Accounts payable and accrued liabilities	\$ 20,351	\$ 994	\$ 587	\$ 8,465	\$ -	\$ -	\$ 82
Due to other government - federal	4	4	5	1,697	-	-	-
Due to other government - local	186	173	-	36	-	-	-
Due to other State fiduciary funds	7	6	24	180	-	-	-
Due to other Department funds	-	-	-	-	-	-	-
Due to other State funds	110	12	-	2,401	-	-	-
Due to State of Illinois component units	154	335	-	13	-	-	-
Unavailable revenue	-	-	6,569	741	-	-	-
Deferred revenue	-	-	-	2,135	-	-	-
Total liabilities	20,812	1,524	7,185	15,668	-	-	82
FUND BALANCES (DEFICITS)							
Reserved for:							
Encumbrances	62	7	320	262	-	95	1
Long-term portion of loans and notes receivable	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Unreserved, undesignated	(87)	795	13,713	6,741	181	18	373
Total fund balances (deficits)	(25)	802	14,033	7,003	181	113	374
Total liabilities and fund balances (deficits)	\$ 20,787	\$ 2,326	\$ 21,218	\$ 22,671	\$ 181	\$ 113	\$ 456

State of Illinois
Department of Human Services
Combining Balance Sheet -
Non-major Governmental Funds
 June 30, 2007 (Expressed in Thousands)

	Special Revenue						
	Diabetes Research Check-off 0198	Autism Research Check-off 0228	Drunk and Drugged Driving Prevention 0276	Federal National Community Services 0343	Employment and Training 0347	Drug Treatment 0368	Sexual Assault Services 0389
ASSETS							
Unexpended appropriations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash equity with State Treasurer	114	59	165	961	464	802	42
Cash and cash equivalents	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Due from other government - federal	-	-	-	991	579	-	-
Due from other government - local	-	-	-	-	-	341	3
Taxes receivable, net	-	-	-	-	-	-	-
Other receivables, net	-	-	-	-	-	-	-
Loans and notes receivable, net	-	-	-	-	-	-	-
Due from other Department funds	-	-	151	-	-	-	-
Due from other State funds	7	-	-	-	-	-	-
Due from State of Illinois component units	-	-	-	-	2	-	-
Inventories	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-
Total assets	\$ 121	\$ 59	\$ 316	\$ 1,952	\$ 1,045	\$ 1,143	\$ 45
LIABILITIES							
Accounts payable and accrued liabilities	\$ -	\$ -	220	947	236	70	-
Due to other government - federal	-	-	1	1	-	-	-
Due to other government - local	-	-	5	327	20	-	-
Due to other State fiduciary funds	-	-	2	1	-	-	-
Due to other Department funds	-	-	-	-	-	-	-
Due to other State funds	-	-	4	8	-	-	-
Due to State of Illinois component units	-	-	6	301	102	-	-
Unavailable revenue	-	-	-	91	-	-	-
Deferred revenue	-	-	-	367	687	-	-
Total liabilities	-	-	238	2,043	1,045	70	-
FUND BALANCES (DEFICITS)							
Reserved for:							
Encumbrances	-	-	2	1	-	1	24
Long-term portion of loans and notes receivable	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Unreserved, undesignated	121	59	76	(92)	-	1,072	21
Total fund balances (deficits)	121	59	78	(91)	-	1,073	45
Total liabilities and fund balances (deficits)	\$ 121	\$ 59	\$ 316	\$ 1,952	\$ 1,045	\$ 1,143	\$ 45

**State of Illinois
Department of Human Services**

**Combining Balance Sheet -
Non-major Governmental Funds**
June 30, 2007 (Expressed in Thousands)

	Special Revenue						
	Gaining Early Awareness and Readiness for Undergraduate Programs 0394	DHS Special Purposes Trust 0408	Old Age Survivors Insurance 0495	Early Intervention Services Revolving 0502	Domestic Violence Abuser Services 0528	DHS Federal Projects Assistance 0592	Multiple Sclerosis Assistance 0604
ASSETS							
Unexpended appropriations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash equity with State Treasurer	3,421	29,246	248	11,348	17	1,820	96
Cash and cash equivalents	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Due from other government - federal	-	2,002	3,625	5,127	-	688	-
Due from other government - local	-	-	-	-	1	-	-
Taxes receivable, net	-	-	-	-	-	-	-
Other receivables, net	14	1	-	465	-	-	-
Loans and notes receivable, net	-	-	-	-	-	-	-
Due from other Department funds	-	-	-	1,982	-	-	-
Due from other State funds	-	-	-	27	-	43	5
Due from State of Illinois component units	-	-	-	-	-	-	-
Inventories	-	-	126	-	-	-	-
Other assets	-	-	-	-	-	-	-
Total assets	\$ 3,435	\$ 31,249	\$ 3,999	\$ 18,949	\$ 18	\$ 2,551	\$ 101
LIABILITIES							
Accounts payable and accrued liabilities	\$ -	\$ 12,143	\$ 2,184	\$ 10,280	\$ -	\$ 432	\$ 96
Due to other government - federal	-	17	76	3	-	2	-
Due to other government - local	-	1,077	3	44	-	387	-
Due to other State fiduciary funds	-	28	118	4	-	6	-
Due to other Department funds	-	-	-	-	-	2	-
Due to other State funds	-	1,051	1,492	84	-	17	-
Due to State of Illinois component units	-	1,675	-	62	-	53	-
Unavailable revenue	-	344	-	-	-	145	-
Deferred revenue	3,325	12,295	-	2,255	-	1,050	-
Total liabilities	3,325	28,630	3,873	12,732	-	2,094	96
FUND BALANCES (DEFICITS)							
Reserved for:							
Encumbrances	-	89	-	1	12	1	1
Long-term portion of loans and notes receivable	-	-	-	-	-	-	-
Inventories	-	-	126	-	-	-	-
Other	-	-	-	-	-	-	-
Unreserved, undesignated	110	2,530	-	6,216	6	456	4
Total fund balances (deficits)	110	2,619	126	6,217	18	457	5
Total liabilities and fund balances (deficits)	\$ 3,435	\$ 31,249	\$ 3,999	\$ 18,949	\$ 18	\$ 2,551	\$ 101

State of Illinois
Department of Human Services
Combining Balance Sheet -
Non-major Governmental Funds
 June 30, 2007 (Expressed in Thousands)

	Special Revenue							Rehabilitation Services
	State Projects 0642	Alcoholism and Substance Abuse 0646	DHS Private Resources 0690	U.S.D.A. Women Infants and Children 0700	Tobacco Settlement Recovery 0733	Local Initiative 0762	Elementary and Secondary Education Act 0798	
ASSETS								
Unexpended appropriations	\$ -	\$ -	\$ -	\$ -	\$ 77	\$ -	\$ -	
Cash equity with State Treasurer	2,159	130	191	7,805	-	6,740	606	
Cash and cash equivalents	-	-	-	3,103	-	-	-	
Investments	-	-	-	-	-	-	-	
Due from other government - federal	-	2,091	-	-	-	-	-	
Due from other government - local	-	-	-	-	-	-	-	
Taxes receivable, net	-	-	-	-	-	-	-	
Other receivables, net	-	-	-	12,457	-	-	-	
Loans and notes receivable, net	-	-	-	-	-	-	-	
Due from other Department funds	-	-	-	-	-	-	2	
Due from State funds	199	-	-	25	-	-	20	
Due from State of Illinois component units	-	-	-	-	-	-	-	
Inventories	-	-	-	-	-	-	-	
Other assets	-	-	-	-	-	-	-	
Total assets	\$ 2,358	\$ 2,221	\$ 191	\$ 23,390	\$ 77	\$ 6,740	\$ 628	
LIABILITIES								
Accounts payable and accrued liabilities	\$ 466	\$ 1,704	\$ 4	\$ 16,614	\$ 71	\$ 1,853	\$ 101	
Due to other government - federal	-	2	-	8	-	2	1	
Due to other government - local	62	35	-	2,567	-	244	-	
Due to other State fiduciary funds	1	1	-	13	-	3	1	
Due to other Department funds	-	-	-	-	-	-	-	
Due to other State funds	1,829	21	-	157	-	79	175	
Due to State of Illinois component units	-	237	9	10	-	88	-	
Unavailable revenue	-	75	-	-	-	-	-	
Deferred revenue	-	221	178	4,021	-	4,471	-	
Total liabilities	\$ 2,358	\$ 2,296	\$ 191	\$ 23,390	\$ 71	\$ 6,740	\$ 278	
FUND BALANCES (DEFICITS)								
Reserved for:								
Encumbrances	187	4	5	-	6	-	27	
Long-term portion of loans and notes receivable	-	-	-	-	-	-	-	
Inventories	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	
Unreserved, undesignated	(187)	(79)	(5)	-	-	-	323	
Total fund balances (deficits)	\$ -	\$ (75)	\$ -	\$ -	\$ 6	\$ -	\$ 350	
Total liabilities and fund balances (deficits)	\$ 2,358	\$ 2,221	\$ 191	\$ 23,390	\$ 77	\$ 6,740	\$ 628	

**State of Illinois
Department of Human Services**

**Combining Balance Sheet -
Non-major Governmental Funds**
June 30, 2007 (Expressed in Thousands)

	Special Revenue									
	Domestic Violence Shelter and Service 0865	Maternal and Child Health Services Block Grant 0872	Preventive Health and Health Services Block Grant 0873	Community Mental Health Services Block Grant 0876	Youth Drug Abuse Prevention 0910	Juvenile Justice Trust 0911	DHS Other Special Trusts 1139	DHS Commissary Funds 1140		
ASSETS										
Unexpended appropriations	\$ -	\$ 2,753	\$ 230	\$ -	\$ -	\$ -	\$ -	\$ -		
Cash equity with State Treasurer	405	-	-	193	158	673	-	-		
Cash and cash equivalents	-	-	-	-	-	-	796	-		
Investments	-	-	-	-	-	-	1,325	-		
Due from other government - federal	-	3,099	1,486	-	-	27	-	-		
Due from other government - local	49	-	-	-	-	-	-	-		
Taxes receivable, net	-	-	-	-	-	-	-	-		
Other receivables, net	-	-	-	-	-	-	3	-		
Loans and notes receivable, net	-	-	-	-	-	-	-	-		
Due from other Department funds	-	-	-	-	-	-	-	-		
Due from other State funds	-	-	-	-	-	59	-	-		
Due from State of Illinois component units	-	-	-	-	-	-	-	-		
Inventories	-	-	-	-	-	-	-	-		
Other assets	-	-	-	-	-	-	-	-		
Total assets	\$ 454	\$ 5,852	\$ 1,716	\$ 193	\$ 158	\$ 759	\$ 2,124	\$ 11		
LIABILITIES										
Accounts payable and accrued liabilities	\$ 146	\$ 747	\$ 230	\$ 47	\$ -	\$ 131	\$ 1	\$ -		
Due to other government - federal	-	7	-	1	-	-	-	-		
Due to other government - local	40	782	-	-	-	72	-	-		
Due to other State fiduciary funds	-	11	-	2	-	-	-	-		
Due to other Department funds	-	-	-	-	-	-	-	2		
Due to other State funds	9	20	-	21	-	20	-	-		
Due to State of Illinois component units	-	1,194	-	-	-	23	-	-		
Unavailable revenue	-	-	1,256	-	-	-	-	-		
Deferred revenue	-	644	-	122	-	497	-	-		
Total liabilities	195	3,405	1,486	193	-	743	1	5		
FUND BALANCES (DEFICITS)										
Reserved for:										
Encumbrances	2	-	-	-	-	-	-	-		
Long-term portion of loans and notes receivable	-	-	-	-	-	-	-	-		
Inventories	-	-	-	-	-	-	-	-		
Other	-	-	-	-	-	-	-	-		
Unreserved, undesignated	257	2,447	230	-	158	16	2,123	-		
Total fund balances (deficits)	259	2,447	230	-	158	16	2,123	6		
Total liabilities and fund balances (deficits)	\$ 454	\$ 5,852	\$ 1,716	\$ 193	\$ 158	\$ 759	\$ 2,124	\$ 11		

**State of Illinois
Department of Human Services**

**Combining Balance Sheet -
Non-major Governmental Funds**

June 30, 2007 (Expressed in Thousands)

	Special Revenue						Permanent	
	DHS Rehabilitation 1144	DHS/DORS Special Revenue 1149	Food Stamp and Commodity 1245	Vending Facility Program for the Blind 1385	Assets for Independence Fund 1391	DHS/DORS Permanent Trust 1150	Burr Bequest 1272	Total
ASSETS								
Unexpended appropriations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	3,060
Cash equity with State Treasurer	-	-	-	-	-	-	-	91,028
Cash and cash equivalents	53	209	-	129	3	85	94	4,483
Investments	-	26	-	-	-	234	945	2,530
Due from other government - federal	-	-	-	-	-	-	-	60,208
Due from other government - local	-	43	-	-	-	-	-	437
Taxes receivable, net	-	-	-	-	-	-	-	133
Other receivables, net	6	-	-	62	-	-	4	14,314
Loans and notes receivable, net	-	-	-	444	-	-	-	444
Due from other Department funds	20	152	-	-	-	-	-	3,853
Due from other State funds	-	-	-	-	-	-	-	1,498
Due from State of Illinois component units	-	-	-	-	-	-	-	2
Inventories	-	-	-	-	-	-	-	126
Other assets	-	-	183	-	-	-	-	183
Total assets	\$ 79	\$ 430	\$ 183	\$ 635	\$ 3	\$ 319	\$ 1,043	\$ 182,299
LIABILITIES								
Accounts payable and accrued liabilities	\$ 7	\$ -	\$ -	\$ 66	\$ -	\$ -	\$ -	79,275
Due to other government - federal	-	-	-	-	-	-	-	1,831
Due to other government - local	-	-	-	-	-	-	-	6,060
Due to other State fiduciary funds	-	-	-	-	-	-	-	408
Due to other Department funds	-	-	-	-	-	149	-	153
Due to other State funds	-	-	-	-	-	-	-	7,510
Due to State of Illinois component units	-	-	-	-	-	-	-	4,262
Unavailable revenue	-	-	-	-	-	-	-	9,221
Deferred revenue	-	-	183	-	-	-	-	32,454
Total liabilities	7	-	183	66	-	149	-	141,174
FUND BALANCES (DEFICITS)								
Reserved for:								
Encumbrances	-	-	-	-	-	-	-	1,110
Long-term portion of loans and notes receivable	-	-	-	403	-	-	-	403
Inventories	-	-	-	-	-	-	-	126
Other	-	-	-	-	-	170	945	1,115
Unreserved, undesignated	72	430	-	166	3	-	98	38,371
Total fund balances (deficits)	72	430	-	569	3	170	1,043	41,125
Total liabilities and fund balances (deficits)	\$ 79	\$ 430	\$ 183	\$ 635	\$ 3	\$ 319	\$ 1,043	\$ 182,299

**State of Illinois
Department of Human Services**

**Combining Statement of Revenues,
Expenditures and Changes in Fund Balance -
Non-major Governmental Funds**

For the Year Ended June 30, 2007 (Expressed in Thousands)

	Special Revenue						
	Prevention and Treatment of Alcoholism and Substance Abuse Block Grant 0013	Illinois Veterans' Rehabilitation 0036	Mental Health 0050	Vocational Rehabilitation 0081	Assistance to the Homeless 0100	Youth Alcoholism and Substance Abuse Prevention 0128	Mental Health Transportation 0134
REVENUES							
Federal operating grants	\$ 67,918	\$ -	\$ -	\$ 94,062	\$ -	\$ -	\$ -
Licenses and fees	-	-	-	-	-	-	-
Interest and investment income	-	-	-	-	-	-	-
Other charges for services	-	34,391	-	2,839	-	-	-
Other taxes	-	1,358	-	-	-	-	-
Other	-	168	-	528	-	-	-
Total revenues	67,918	35,917	35,917	97,429	269	845	826
EXPENDITURES							
Health and social services	67,943	4,092	22,411	95,677	269	845	826
Debt service - principal	-	-	-	9	-	-	-
Debt service - interest	-	-	-	1	-	-	-
Capital outlays	-	-	-	386	-	-	-
Total expenditures	67,943	4,092	22,411	96,073	269	845	826
Excess (deficiency) of revenues over (under) expenditures	(25)	(4,092)	13,506	1,356	(269)	(845)	(826)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES							
Appropriations from State resources	-	-	-	-	-	-	-
Lapsed appropriations	-	-	-	-	-	-	-
Receipts collected and transmitted to State Treasury	-	-	-	-	-	-	-
Transfers-in	-	4,431	-	168	175	1,047	-
Transfers-out	-	-	-	-	-	(150)	-
Capital lease and installment purchase financing	-	-	-	59	-	-	-
Net other sources (uses) of financial resources	-	4,431	-	227	175	897	-
Net change in fund balances	(25)	339	13,506	1,583	(94)	52	(826)
Fund balances (deficits), July 1, 2006, as restated	-	463	527	5,420	275	61	1,200
Decrease for changes in inventories	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS), JUNE 30, 2007	(25)	802	14,033	7,003	181	113	374

**State of Illinois
Department of Human Services**

**Combining Statement of Revenues,
Expenditures and Changes in Fund Balance -
Non-major Governmental Funds**

For the Year Ended June 30, 2007 (Expressed in Thousands)

	Special Revenue						
	Diabetes Research Check-off 0198	Autism Research Check-off 0228	Drunk and Drugged Driving Prevention 0276	Federal National Community Services 0343	Employment and Training 0347	Drug Treatment 0368	Sexual Assault Services 0389
REVENUES							
Federal operating grants	-	\$ -	\$ -	7,438	\$ 10,034	\$ -	\$ -
Licenses and fees	-	-	1,902	-	-	-	-
Interest and investment income	5	3	-	-	-	-	-
Other charges for services	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-
Other	-	-	-	-	-	4,335	34
Total revenues	5	3	1,902	7,438	10,034	4,335	34
EXPENDITURES							
Health and social services	100	-	1,871	7,458	10,034	3,579	-
Debt service - principal	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-
Total expenditures	100	-	1,871	7,458	10,034	3,579	-
Excess (deficiency) of revenues over (under) expenditures	(95)	3	31	(20)	-	756	34
OTHER SOURCES (USES) OF FINANCIAL RESOURCES							
Appropriations from State resources	-	-	-	-	-	-	-
Lapsed appropriations	-	-	-	-	-	-	-
Receipts collected and transmitted to State Treasury	-	-	-	-	-	-	-
Transfers-in	119	3	-	-	-	-	-
Transfers-out	-	-	(199)	-	-	(248)	-
Capital lease and installment purchase financing	-	-	-	-	-	-	-
Net other sources (uses) of financial resources	119	3	(199)	-	-	(248)	-
Net change in fund balances	24	6	(168)	(20)	-	508	34
Fund balances (deficits), July 1, 2006, as restated	97	53	246	(71)	-	565	11
Decrease for changes in inventories	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS), JUNE 30, 2007	\$ 121	\$ 59	\$ 78	\$ (91)	\$ -	\$ 1,073	\$ 45

**State of Illinois
Department of Human Services**

**Combining Statement of Revenues,
Expenditures and Changes in Fund Balance -
Non-major Governmental Funds**

For the Year Ended June 30, 2007 (Expressed in Thousands)

	Special Revenue										
	Gaining Early Awareness and Readiness for Undergraduate Programs 0394	DHS Special Purposes Trust 0408	Old Age Survivors Insurance 0495	Early Intervention Services Revolving 0502	Domestic Violence Abuser Services 0528	DHS Federal Projects 0592	Multiple Sclerosis Assistance 0604				
REVENUES											
Federal operating grants	\$ -	\$ 172,568	\$ 59,370	\$ 56,362	\$ -	\$ 19,954	\$ -				
Licenses and fees	-	-	-	3,331	-	-	-				
Interest and investment income	110	-	-	421	-	-	-				
Other charges for services	-	-	-	-	-	-	-				
Other taxes	-	-	-	-	-	-	-				
Other	-	-	-	33	12	-	-				
Total revenues	110	172,568	59,370	60,147	12	19,954	-				
EXPENDITURES											
Health and social services	-	173,653	59,370	125,309	6	19,895	151				
Debt service - principal	-	-	-	-	-	-	-				
Debt service - interest	-	-	-	-	-	-	-				
Capital outlays	-	18	-	-	-	-	-				
Total expenditures	-	173,671	59,370	125,309	6	19,895	151				
Excess (deficiency) of revenues over (under) expenditures	110	(1,103)	-	(65,162)	6	59	(151)				
OTHER SOURCES (USES) OF FINANCIAL RESOURCES											
Appropriations from State resources	-	-	-	-	-	-	-				
Lapsed appropriations	-	-	-	-	-	-	-				
Receipts collected and transmitted to State Treasury	-	-	-	-	-	-	-				
Transfers-in	-	-	-	63,023	-	-	111				
Transfers-out	-	-	-	-	-	-	-				
Capital lease and installment purchase financing	-	-	-	-	-	-	-				
Net other sources (uses) of financial resources	-	-	-	63,023	-	-	111				
Net change in fund balances	110	(1,103)	-	(2,139)	6	59	(40)				
Fund balances (deficits), July 1, 2006, as restated	-	3,722	174	8,356	12	398	45				
Decrease for changes in inventories	-	-	(48)	-	-	-	-				
FUND BALANCES (DEFICITS), JUNE 30, 2007	\$ 110	\$ 2,619	\$ 126	\$ 6,217	\$ 18	\$ 457	\$ 5				

**State of Illinois
Department of Human Services**

**Combining Statement of Revenues,
Expenditures and Changes in Fund Balance -
Non-major Governmental Funds**

For the Year Ended June 30, 2007 (Expressed in Thousands)

	Special Revenue							Rehabilitation Services
	State Projects 0642	Alcoholism and Substance Abuse 0646	DHS Private Resources 0690	U.S.D.A. Women Infants and Children 0700	Tobacco Settlement Recovery 0733	Local Initiative Education Act 0762	Elementary and Secondary Education Act 0798	
REVENUES								
Federal operating grants	\$ -	\$ 18,393	\$ -	\$ 192,076	\$ -	\$ 20,770	\$ 507	
Licenses and fees	-	-	-	-	-	-	-	
Interest and investment income	-	-	-	8	-	-	-	
Other charges for services	-	85	-	-	-	-	-	
Other taxes	-	-	-	-	-	-	-	
Other	-	-	134	-	-	-	-	19
Total revenues	-	18,478	134	192,084	-	20,770	526	
EXPENDITURES								
Health and social services	-	18,498	134	192,084	2,707	20,770	466	
Debt service - principal	-	-	-	-	-	-	-	
Debt service - interest	-	-	-	-	-	-	-	
Capital outlays	-	-	-	-	-	-	-	33
Total expenditures	-	18,498	134	192,084	2,707	20,770	499	
Excess (deficiency) of revenues over (under) expenditures	-	(20)	-	-	(2,707)	-	27	
OTHER SOURCES (USES) OF FINANCIAL RESOURCES								
Appropriations from State resources	-	-	-	-	2,750	-	-	
Lapsed appropriations	-	-	-	-	(37)	-	-	
Receipts collected and transmitted to State Treasury	-	-	-	-	-	-	-	
Transfers-in	-	20	-	-	-	-	-	
Transfers-out	-	-	-	-	-	-	-	
Capital lease and installment purchase financing	-	-	-	-	-	-	-	
Net other sources (uses) of financial resources	-	20	-	-	2,713	-	-	
Net change in fund balances	-	-	-	-	6	-	27	
Fund balances (deficits), July 1, 2006, as restated	-	(75)	-	-	-	-	323	
Decrease for changes in inventories	-	-	-	-	-	-	-	
FUND BALANCES (DEFICITS), JUNE 30, 2007	\$ -	(75)	\$ -	\$ -	\$ 6	\$ -	\$ 350	

**State of Illinois
Department of Human Services**

**Combining Statement of Revenues,
Expenditures and Changes in Fund Balance -
Non-major Governmental Funds**

For the Year Ended June 30, 2007 (Expressed in Thousands)

	Special Revenue																			
	Domestic Violence Shelter and Service 0865	Maternal and Child Health Services Block Grant 0872	Preventive Health and Health Services Block Grant 0873	Community Mental Health Services Block Grant 0876	Youth Drug Abuse Prevention 0910	Juvenile Justice Trust 0911	DHS Other Special Trusts 1139	DHS Commissary Funds 1140												
REVENUES																				
Federal operating grants	\$ -	\$ 20,090	\$ 417	\$ 16,145	\$ -	\$ 2,399	\$ 285	\$ -												
Licenses and fees	-	-	-	-	-	-	-	-												
Interest and investment income	-	-	-	-	-	-	77	-												
Other charges for services	-	-	-	-	-	-	-	58												
Other taxes	-	-	-	-	-	-	-	-												
Other	678	-	-	-	419	-	947	-												
Total revenues	678	20,090	417	16,145	419	2,399	1,309	58												
EXPENDITURES																				
Health and social services	722	20,090	304	16,145	431	2,383	1,341	46												
Debt service - principal	-	-	-	-	-	-	-	-												
Debt service - interest	-	-	-	-	-	-	-	-												
Capital outlays	-	-	-	-	-	-	9	-												
Total expenditures	722	20,090	304	16,145	431	2,383	1,350	46												
Excess (deficiency) of revenues over (under) expenditures	(44)	-	113	-	(12)	16	(41)	12												
OTHER SOURCES (USES) OF FINANCIAL RESOURCES																				
Appropriations from State resources	-	28,230	1,555	-	-	-	-	-												
Lapsed appropriations	-	(8,146)	(1,251)	-	-	-	-	-												
Receipts collected and transmitted to State Treasury	-	(19,980)	(491)	-	-	-	-	-												
Transfers-in	-	-	-	-	-	-	5	-												
Transfers-out	-	-	-	-	(34)	-	-	(11)												
Capital lease and installment purchase financing	-	-	-	-	-	-	-	-												
Net other sources (uses) of financial resources	-	104	(187)	-	(34)	-	5	(11)												
Net change in fund balances	(44)	104	(74)	-	(46)	16	(36)	1												
Fund balances (deficits), July 1, 2006, as restated	303	2,343	304	-	204	-	2,159	5												
Decrease for changes in inventories	-	-	-	-	-	-	-	-												
FUND BALANCES (DEFICITS), JUNE 30, 2007	\$ 259	\$ 2,447	\$ 230	\$ -	\$ 158	\$ 16	\$ 2,123	\$ 6												

**State of Illinois
Department of Human Services**

**Combining Statement of Revenues,
Expenditures and Changes in Fund Balance -
Non-major Governmental Funds**

For the Year Ended June 30, 2007 (Expressed in Thousands)

	Special Revenue							Total
	DHS/DORS			Vending Facility		Assets for	DHS/DORS	
	DHS Rehabilitation 1144	Special Revenue 1149	Food Stamp and Commodity 1245	Program for the Blind 1385	Program for Independence Fund 1391	Permanent Trust 1150	Burr Bequest 1272	
REVENUES								
Federal operating grants	\$ -	\$ -	\$ 1,557,406	\$ -	\$ -	\$ -	\$ -	\$ 2,316,194
Licenses and fees	-	10	-	-	-	-	-	5,243
Interest and investment income	-	-	-	-	-	24	49	697
Other charges for services	-	-	-	341	-	-	-	37,714
Other taxes	-	-	-	-	-	-	-	1,358
Other	335	322	-	385	-	-	-	8,352
Total revenues	335	332	1,557,406	726	3	24	49	2,369,558
EXPENDITURES								
Health and social services	332	300	1,557,406	563	-	16	18	2,428,245
Debt service - principal	-	-	-	-	-	-	-	9
Debt service - interest	-	-	-	-	-	-	-	1
Capital outlays	-	8	-	-	-	-	-	454
Total expenditures	332	308	1,557,406	563	-	16	18	2,428,709
Excess (deficiency) of revenues over (under) expenditures	3	24	-	163	3	8	31	(59,151)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES								
Appropriations from State resources	-	-	-	-	-	-	-	32,535
Lapsed appropriations	-	-	-	-	-	-	-	(9,434)
Receipts collected and transmitted to State Treasury	-	-	-	-	-	-	-	(20,471)
Transfers-in	-	10	-	-	-	-	-	69,112
Transfers-out	(5)	-	-	(168)	-	(10)	-	(825)
Capital lease and installment purchase financing	-	-	-	-	-	-	-	59
Net other sources (uses) of financial resources	(5)	10	-	(168)	-	(10)	-	70,976
Net change in fund balances	(2)	34	-	(5)	3	(2)	31	11,825
Fund balances (deficits), July 1, 2006, as restated	74	396	-	574	-	172	1,012	29,348
Decrease for changes in inventories	-	-	-	-	-	-	-	(48)
FUND BALANCES (DEFICITS), JUNE 30, 2007	\$ 72	\$ 430	\$ -	\$ 569	\$ 3	\$ 170	\$ 1,043	\$ 41,125

State of Illinois
Department of Human Services
Combining Statement of Fiduciary Net Assets -
Agency Funds
 June 30, 2007 (Expressed in Thousands)

	Agency			
	Electronic Benefits Transfers 0540	DHS Resident's Trust 1143	DHS/DORS Agency 1147	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ 1,037	\$ 34	\$ 1,071
Investments	-	1,179	-	1,179
Due from other government - federal	-	60	-	60
Other receivables, net	-	6	-	6
Due from other Department funds	-	-	3	3
Total assets	\$ -	\$ 2,282	\$ 37	\$ 2,319
LIABILITIES				
Accounts payable and accrued liabilities	-	2,282	37	2,319
Total liabilities	\$ -	\$ 2,282	\$ 37	\$ 2,319

State of Illinois
Department of Human Services

**Combining Statement of Changes in Assets and Liabilities -
Agency Funds**

For the Year Ended June 30, 2007 (Expressed in Thousands)

	Balance at June 30, 2006		Additions	Deletions	Balance at June 30, 2007	
Electronic Benefits Transfers (0540)						
ASSETS						
Cash equity with State Treasurer	\$	-	\$ 147,135	\$ 147,135	\$	-
Total assets	\$	-	\$ 147,135	\$ 147,135	\$	-
LIABILITIES						
Other liabilities	\$	-	\$ 147,135	\$ 147,135	\$	-
Total liabilities	\$	-	\$ 147,135	\$ 147,135	\$	-
DHS Resident's Trust (1143)						
ASSETS						
Cash and cash equivalents	\$	1,053	\$ 18,094	\$ 18,110	\$	1,037
Investments		1,204	-	25		1,179
Due from other government - federal		40	1,317	1,297		60
Other receivables, net		6	-	-		6
Total assets	\$	2,303	\$ 19,411	\$ 19,432	\$	2,282
LIABILITIES						
Accounts payable and accrued liabilities	\$	2,303	\$ 18,114	\$ 18,135	\$	2,282
Total liabilities	\$	2,303	\$ 18,114	\$ 18,135	\$	2,282
DHS/DORS Agency (1147)						
ASSETS						
Cash and cash equivalents	\$	32	\$ 308	\$ 306	\$	34
Other receivables, net		1	-	1		-
Due from other Department funds		1	3	1		3
Total assets	\$	34	\$ 311	\$ 308	\$	37
LIABILITIES						
Accounts payable and accrued liabilities	\$	34	\$ 311	\$ 308	\$	37
Total liabilities	\$	34	\$ 311	\$ 308	\$	37
Total - All Agency Funds						
ASSETS						
Cash equity with State Treasurer	\$	-	\$ 147,135	\$ 147,135	\$	-
Cash and cash equivalents		1,085	18,402	18,416		1,071
Investments		1,204	-	25		1,179
Due from other government - federal		40	1,317	1,297		60
Other receivables, net		7	-	1		6
Due from other Department funds		1	3	1		3
Total assets	\$	2,337	\$ 166,857	\$ 166,875	\$	2,319
LIABILITIES						
Accounts payable and accrued liabilities	\$	2,337	\$ 18,425	\$ 18,443	\$	2,319
Other liabilities		-	147,135	147,135		-
Total liabilities	\$	2,337	\$ 165,560	\$ 165,578	\$	2,319

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:

- Schedule of Expenditures of Federal Awards

- Year Ended June 30, 2007 (Schedule 1)

- Year Ended June 30, 2006 (Schedule 2)

- Notes to Schedules of Expenditures of Federal Awards

- Schedule of Appropriations, Expenditures and Lapsed Balances

- Fiscal Year 2007 (Schedule 3)

- Fiscal Year 2006 (Schedule 4)

- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances – (Schedule 5)

- Comparative Schedule of Expenditures by Major Object Code – (Schedule 6)

- Schedule of Changes in State Property – (Schedule 7)

- Comparative Schedule of Cash Receipts – (Schedule 8)

- Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State

- Comptroller – (Schedule 9)

- Notes on Financial Related Data

- Introduction

- Analysis of Significant Variations in Expenditures

- Analysis of Significant Variations in Receipts

- Analysis of Significant Lapse Period Spending

- Analysis of Changes in State Property

- Analysis of Accounts Receivable

- Schedule of Indirect Cost Reimbursements

- Other Central Office Appropriations

- Analysis of Operations:

- Department Functions and Planning Program

- Schedule of Number of Employees

- Analysis of Employee Overtime

- Emergency Purchases

- Year Ended June 30, 2007

- Year Ended June 30, 2006

- Memorandums of Understanding (Unaudited)

- Hurricane Katrina Assistance (Unaudited)

- Service Efforts and Accomplishments (Unaudited)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states that it has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in the accountants' opinion, except for that portion marked "unaudited," on which they express no opinion, it is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
Schedule of Expenditures of Federal Awards
For the State Fiscal Year Ended June 30, 2007
(expressed in thousands)

	<u>CFDA No.</u>	<u>Expenditures of Federal Awards</u>	<u>Sub-Grantee Awards</u>
<u>U.S. Department of Agriculture</u>			
Direct Programs:			
Food Stamps	10.551	\$ 1,548,530	\$ -
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	187,330	175,118
State Administrative Matching Grants for Food Stamp Program	10.561	98,232	11,671
Commodity Supplemental Food Program	10.565	3,480	3,478
Emergency Food Assistance Program (Administration Costs)	10.568	2,227	1,835
Emergency Food Assistance Program (Food Commodities)	10.569	8,876	8,876
WIC Farmers' Market Nutrition Program	10.572	390	246
Senior Farmers' Market Nutrition Program	10.576	878	560
Passed Through the Illinois State Board of Education:			
School Breakfast Program	10.553	97	-
National School Lunch Program	10.555	158	-
Total U.S. Department of Agriculture		<u>1,850,198</u>	<u>201,784</u>
<u>U.S. Department of Justice</u>			
Direct Programs:			
Education and Training to End Violence Against and Abuse of Women	16.529	79	75
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	2,127	1,842
Title V - Delinquency Prevention Program	16.548	333	333
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	288	-
Enforcing Underage Drinking Laws Program	16.727	547	481
Passed Through the Criminal Justice Information Authority:			
Edward Byrne Formula Grant Award Program	16.579	99	-
Total U.S. Department of Justice		<u>3,473</u>	<u>2,731</u>
<u>U.S. Department of Education</u>			
Direct Programs:			
Special Education - Grants to States	84.027	54	-
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	89,994	20,313
Rehabilitation Services - Service Projects	84.128	105	105
Rehabilitation Services - Client Assistance Program	84.161	516	-
Independent Living - State Grants	84.169	720	720
Special Education - Preschool Grants	84.173	36	-
Rehabilitation Services - Independent Living Services for Older Individuals Who are Blind	84.177	1,355	1,115
Special Education - Grants for Infants and Families with Disabilities	84.181	18,086	18,086
Safe and Drug-Free Schools and Communities - State Grants	84.186	2,150	2,150
Supported Employment Services for Individuals with Severe Disabilities	84.187	315	315
Assistive Technology	84.224	995	991

(Continued)

The accompanying notes are an integral part of this schedule.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
Schedule of Expenditures of Federal Awards
For the State Fiscal Year Ended June 30, 2007
(expressed in thousands)

	CFDA No.	Expenditures of Federal Awards	Sub-Grantee Awards
<u>U.S. Department of Education - Continued</u>			
Direct Programs - Continued:			
Tech-Prep Education	84.243	\$ 195	\$ -
Rehabilitation Training - State			
Vocational Rehabilitation Unit In-Service Training	84.265	94	-
Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	174	-
Gaining Early Awareness and Readiness for Undergraduate Program	84.334	1,526	1,500
Passed Through the Illinois State Board of Education:			
Special Education - Grants to States	84.027	213	-
Special Education - Preschool Grants	84.173	71	-
Safe and Drug-Free Schools and Communities - State Grants	84.186	1	-
Fund for the Improvement of Education	84.215	38	-
Innovative Education Program Strategies	84.298	1	-
Improving Teacher Quality State Grants	84.367	7	-
Passed Through the Illinois Community College Board:			
Tech-Prep Education	84.243	36	-
Total U.S. Department of Education		<u>116,682</u>	<u>45,295</u>
<u>U.S. Department of Health and Human Services</u>			
Direct Programs:			
Comprehensive Community Mental Health Services for Children with SED	93.104	2,913	2,858
Maternal and Child Health Federal Consolidated Programs	93.110	176	143
Projects for Assistance in Transition from Homelessness (PATH)	93.150	2,431	2,389
Telehealth Network Grants	93.211	100	97
Family Planning Services	93.217	8,144	6,918
Consolidated Knowledge Development and Application (KD&A) Program	93.230	589	558
Traumatic Brain Injury - State Demonstration Grant Program	93.234	2	-
Abstinence Education	93.235	1,897	1,708
Substance Abuse and Mental			
Health Projects of Regional and National Significance	93.243	5,657	4,134
Substance Abuse Mental Health Services - Access to Recovery	93.275	10,399	9,764
Temporary Assistance for Needy Families	93.558	487,906	49,460
Refugee and Entrant Assistance - State Administered Programs	93.566	4,481	2,349
Child Care and Development Block Grant	93.575	76,464	76,464
Refugee and Entrant Assistance - Discretionary Grants	93.576	819	819
Refugee and Entrant Assistance - Targeted Assistance	93.584	940	940
Child Care Mandatory and			
Matching Funds of the Child Care and Development Fund	93.596	120,673	120,673
Head Start	93.600	2,997	2,473
Runaway and Homeless Youth	93.623	220	220
Social Services Block Grant	93.667	109,155	36,057
Family Violence Prevention and Services Grants for			
Battered Women's Shelters - Grants to States and Indian Tribes	93.671	2,723	2,584

(Continued)

The accompanying notes are an integral part of this schedule.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
Schedule of Expenditures of Federal Awards
For the State Fiscal Year Ended June 30, 2007
(expressed in thousands)

	<u>CFDA No.</u>	<u>Expenditures of Federal Awards</u>	<u>Sub-Grantee Awards</u>
<u>U.S. Department of Health and Human Services - Continued</u>			
Direct Programs - Continued:			
State Children's Insurance Program	93.767	\$ 6,053	\$ -
Medical Assistance Program	93.778	135,182	-
Centers for Medicare and Medicaid			
Services (CMS) Research, Demonstrations and Evaluations	93.779	(29)	-
Healthy Start Initiative	93.926	2,433	2,235
Block Grants for Community Mental Health Services	93.958	16,173	15,322
Block Grants for Prevention and Treatment of Substance Abuse	93.959	67,918	64,673
Mental Health Disaster Assistance and Emergency Mental Health	93.982	382	-
Cooperative Agreements for State-Based Diabetes			
Control Programs and Evaluation of Surveillance Systems	93.988	925	464
Preventive Health and Health Services Block Grant	93.991	491	491
Maternal and Child Health Services Block Grant to the States	93.994	18,212	15,069
Adolescent Family Life Demonstration Projects	93.995	398	341
Total U.S. Department of Health and Human Services		<u>1,086,824</u>	<u>419,203</u>
<u>Corporation for National and Community Service</u>			
Direct Programs:			
State Commissions	94.003	711	42
Learn and Serve America - School and Community Based Programs	94.004	14	14
AmeriCorps	94.006	5,356	5,018
Planning and Program Development Grants	94.007	21	4
Training and Technical Assistance	94.009	120	87
Total Corporation for National and Community Service		<u>6,222</u>	<u>5,165</u>
<u>Social Security Administration</u>			
Direct Programs:			
Social Security Disability Insurance	96.001	62,153	-
Social Security - Benefits Planning, Assistance and Outreach Program	96.008	560	152
Total Social Security Administration		<u>62,713</u>	<u>152</u>
Total Expenditures of Federal Awards		<u>\$ 3,126,112</u>	<u>\$ 674,330</u>

(Concluded)

The accompanying notes are an integral part of this schedule.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
Schedule of Expenditures of Federal Awards
For the State Fiscal Year Ended June 30, 2006
(expressed in thousands)

	<u>CFDA No.</u>	<u>Expenditures of Federal Awards</u>	<u>Sub-Grantee Awards</u>
<u>U.S. Department of Agriculture</u>			
Direct Programs:			
Food Stamps	10.551	\$ 1,481,099	\$ -
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	183,714	166,570
State Administrative Matching Grants for Food Stamp Program	10.561	89,553	11,176
Commodity Supplemental Food Program	10.565	2,509	2,502
Emergency Food Assistance Program (Administration Costs)	10.568	2,627	2,233
Emergency Food Assistance Program (Food Commodities)	10.569	10,100	10,100
WIC Farmers' Market Nutrition Program	10.572	280	280
Senior Farmers' Market Nutrition Program	10.576	501	501
Passed Through the Illinois State Board of Education:			
School Breakfast Program	10.553	88	-
National School Lunch Program	10.555	153	-
Total U.S. Department of Agriculture		<u>1,770,624</u>	<u>193,362</u>
<u>U.S. Department of Justice</u>			
Direct Programs:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	2,711	2,526
Title V - Delinquency Prevention Program	16.548	1,057	1,054
Part E - State Challenge Activities	16.549	25	25
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	116	-
Enforcing Underage Drinking Laws Program	16.727	509	449
Passed Through the Criminal Justice Information Authority:			
Edward Byrne Formula Grant Award Program	16.579	96	-
Total U.S. Department of Justice		<u>4,514</u>	<u>4,054</u>
<u>U.S. Department of Labor</u>			
Direct Programs:			
Employment Service -Wagner-Peyser Funded Activities	17.207	22	-
Total U.S. Department of Labor		<u>22</u>	<u>-</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
Schedule of Expenditures of Federal Awards
For the State Fiscal Year Ended June 30, 2006
(expressed in thousands)

	CFDA No.	Expenditures of Federal Awards	Sub-Grantee Awards
<u>U.S. Department of Education</u>			
Direct Programs:			
Special Education - Grants to States	84.027	\$ 62	\$ -
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	83,222	23,266
Rehabilitation Services - Service Projects	84.128	33	33
Rehabilitation Services - Client Assistance Program	84.161	467	-
Independent Living - State Grants	84.169	726	721
Special Education - Preschool Grants	84.173	37	-
Rehabilitation Services - Independent Living Services for Older Individuals Who are Blind	84.177	1,342	1,154
Special Education - Grants for Infants and Families with Disabilities	84.181	26,207	8,083
Safe and Drug-Free Schools and Communities - State Grants	84.186	2,271	2,270
Supported Employment Services for Individuals with Severe Disabilities	84.187	1,318	1,318
Assistive Technology	84.224	1,036	1,036
Tech-Prep Education	84.243	204	-
Rehabilitation Training - State Vocational Rehabilitation Unit In-Service Training	84.265	145	-
Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	99	-
Gaining Early Awareness and Readiness for Undergraduate Program	84.334	499	496
Passed Through the Illinois State Board of Education:			
Special Education - Grants to States	84.027	181	-
Special Education - Preschool Grants	84.173	10	-
Safe and Drug-Free Schools and Communities - State Grants	84.186	1	-
Eisenhower Professional Development - State Grants	84.281	(1)	-
Innovative Education Program Strategies	84.298	1	-
Hurricane Education Recovery Act	84.938	9	-
Passed Through the Illinois Community College Board:			
Tech-Prep Education	84.243	26	-
Total U.S. Department of Education		<u>117,895</u>	<u>38,377</u>

U.S. Department of Health and Human Services

Direct Programs:			
Comprehensive Community Mental Health Services for Children with SED	93.104	2,902	2,867
Maternal and Child Health Federal Consolidated Programs	93.110	122	102
Projects for Assistance in Transition from Homelessness (PATH)	93.150	2,364	2,343
Family Planning Services	93.217	7,888	7,169
Consolidated Knowledge Development and Application (KD&A) Program	93.230	1,676	1,466
Abstinence Education	93.235	1,757	1,621
Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement	93.238	4	-
Mental Health Research Grants	93.242	93	93
Substance Abuse and Mental Health Projects of Regional and National Significance	93.243	4,123	3,200
Universal Newborn Hearing Screening	93.251	93	-
Substance Abuse Mental Health Services - Access to Recovery	93.275	10,483	9,599

(Continued)

The accompanying notes are an integral part of this schedule.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
Schedule of Expenditures of Federal Awards
For the State Fiscal Year Ended June 30, 2006
(expressed in thousands)

	<u>CFDA No.</u>	<u>Expenditures of Federal Awards</u>	<u>Sub-Grantee Awards</u>
<u>U.S. Department of Health and Human Services - Continued</u>			
Direct Programs - Continued:			
Temporary Assistance for Needy Families	93.558	\$ 488,135	\$ 208,933
Refugee and Entrant Assistance - State Administered Programs	93.566	4,505	2,487
Child Care and Development Block Grant	93.575	79,054	75,187
Refugee and Entrant Assistance - Discretionary Grants	93.576	761	760
Refugee and Entrant Assistance - Targeted Assistance Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.584	1,102	1,102
Head Start	93.596	134,503	121,699
Runaway and Homeless Youth	93.600	3,031	2,486
Social Services Research and Demonstration	93.623	120	120
Social Services Block Grant	93.647	15	-
Family Violence Prevention and Services Grants for Battered Women's Shelters - Grants to States and Indian Tribes	93.667	116,227	43,326
State Children's Insurance Program	93.671	2,810	2,686
Medical Assistance Program	93.767	3,468	-
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.778	130,731	-
Healthy Start Initiative	93.779	26	26
Block Grants for Community Mental Health Services	93.926	2,244	2,162
Block Grants for Prevention and Treatment of Substance Abuse	93.958	16,905	16,073
Mental Health Disaster Assistance and Emergency Mental Health Cooperative Agreements for State-Based Diabetes	93.959	69,785	66,720
Control Programs and Evaluation of Surveillance Systems	93.982	251	1
Preventive Health and Health Services Block Grant	93.988	888	507
Maternal and Child Health Services Block Grant to the States	93.991	304	304
Adolescent Family Life Demonstration Projects	93.994	19,162	15,961
Passed Through the Illinois State Board of Education Refugee and Entrant Assistance - Discretionary Grants	93.995	208	206
		(47)	-
Total U.S. Department of Health and Human Services		<u>1,105,693</u>	<u>589,206</u>
<u>Corporation for National and Community Service</u>			
Direct Programs:			
State Commissions	94.003	400	15
Learn and Serve America - School and Community Based Programs	94.004	387	373
AmeriCorps	94.006	4,740	4,740
Planning and Program Development Grants	94.007	38	38
Training and Technical Assistance	94.009	123	123
Total Corporation for National and Community Service		<u>5,688</u>	<u>5,289</u>

(Continued)

The accompanying notes are an integral part of this schedule.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
Schedule of Expenditures of Federal Awards
For the State Fiscal Year Ended June 30, 2006
(expressed in thousands)

	<u>CFDA No.</u>	<u>Expenditures of Federal Awards</u>	<u>Sub-Grantee Awards</u>
<u>Social Security Administration</u>			
Direct Programs:			
Social Security Disability Insurance	96.001	\$ 61,815	\$ -
Social Security Research and Demonstration	96.007	\$ (95)	-
Social Security - Benefits Planning, Assistance and Outreach Program	96.008	508	-
Total Social Security Administration		<u>62,228</u>	<u>-</u>
<u>Federal Emergency Management Agency</u>			
Passed Through the Illinois Emergency Management Agency:			
Crisis Counseling	97.032	284	-
Total Federal Emergency Management Agency		<u>284</u>	<u>-</u>
Total Expenditures of Federal Awards		<u>\$ 3,066,948</u>	<u>\$ 830,288</u>

(Concluded)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS

For the Years Ended June 30, 2007 and 2006

1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards present the federal award programs administered by the Illinois Department of Human Services. The reporting entity for the Illinois Department of Human Services is defined in Note 2 of the notes to the Department's financial statements. These schedules include the expenditure of awards received directly from federal agencies and awards passed through other State and local agencies.

These schedules were prepared for State compliance purposes only. A separate single audit of the Department was not conducted. A separate single audit of the entire State of Illinois (which includes the Department) was performed and released under separate cover.

2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards are presented on the modified accrual basis of accounting. These schedules have been reconciled to the Department's financial statements for the years ended June 30, 2007 and 2006.

Expenditures for Food Stamps (CFDA No. 10.551) represent the value of food stamp coupons issued to eligible recipients and cash assistance made available to eligible recipients in lieu of food stamp coupons (expressed in thousands) as follows:

	<u>2007</u>	<u>2006</u>
Food stamp coupons	\$ 2	\$ 1
Cash assistance in lieu of food stamp coupons	<u>1,548,528</u>	<u>1,481,098</u>
Program Totals	<u>\$1,548,530</u>	<u>\$1,481,099</u>

Expenditures for the Special Supplemental Nutrition Program for Women, Infants and Children (CFDA No. 10.557) have been reduced by the amount of infant formula rebates received in the amounts (expressed in thousands) of \$68,384 and \$68,437 for the years ended June 30, 2007 and 2006, respectively.

Expenditures for the Commodity Supplemental Food Program (CFDA No. 10.565) includes the value of donated food commodities received from the U.S. Department of Agriculture (USDA) in the amounts (expressed in thousands) of \$2,643 and \$1,599 for the years ended June 30, 2007 and 2006, respectively. Likewise, expenditures for the Emergency Food

**ILLINOIS DEPARTMENT OF HUMAN SERVICES
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS - Continued**

2. BASIS OF ACCOUNTING - Continued

Assistance Program (CFDA No. 10.569) represent the value of donated food commodities received from the USDA in the amounts (expressed in thousands) of \$8,876 and \$10,100 for the years ended June 30, 2007 and 2006, respectively. The commodities were valued based on USDA price lists.

The “negative” expenditure amounts reported for the programs noted below represent the accrual of liabilities in the preceding fiscal year(s) in excess of current year disbursements (expressed in thousands) paid by the Department in the administration of these programs:

	<u>2007</u>	<u>2006</u>
Eisenhower Professional Development – State Grants (84.281) \$	-	\$ 1
Refugee and Entrant Assistance –		
Discretionary Grants (93.576)	-	47
Centers for Medicare and Medicaid Services (CMS)		
Research, Demonstrations and Evaluations (93.779)	29	-
Social Security Research and Demonstration (96.007)	<u>-</u>	<u>95</u>
Totals	<u>\$ 29</u>	<u>\$ 143</u>

The Temporary Assistance for Needy Families (TANF) (CFDA No. 93.558) program allows for the transfer of a portion of the grant award for use in other federal programs administered by the Department. Transfers made in accordance with the TANF program grant provisions during the audit period (expressed in thousands) were as follows:

	<u>2007</u>	<u>2006</u>
Social Services Block Grant (93.667)	<u>\$ 30,368</u>	<u>\$ 33,285</u>

3. ALLOCATION OF ADMINISTRATIVE COSTS

The methodologies employed by the Illinois Department of Human Services for allocation of administrative costs are outlined in the Public Assistance Cost Allocation Plan (PACAP) as approved by the U.S. Department of Health and Human Services (DHHS), Division of Cost Allocation. The Department, as a public assistance agency, prepares and maintains a PACAP to allocate administrative costs to federal awards in accordance with OMB Circular A-87, Attachment D. The PACAP, which is narrative in nature and follows the organization of the Department, describes allocation methodologies for all administrative costs, both direct and indirect, and is amended, as necessary, (e.g. due to organizational changes) on an ongoing basis. The PACAP process allocates all direct and indirect administrative costs of the Department to both state and federal programs based on the relative administrative benefits received by each on a quarterly basis.

**ILLINOIS DEPARTMENT OF HUMAN SERVICES
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS – Continued**

3. ALLOCATION OF ADMINISTRATIVE COSTS – Continued

Indirect costs of the Department are treated in greater detail in the annual Departmental Indirect Cost Allocation Plan (DICAP). Indirect costs treated in the DICAP include costs incurred by the Department's central administrative offices or divisions as well as statewide costs allocable to the Department under the Statewide Cost Allocation Plan (SWCAP). A DICAP is prepared for each State fiscal year and is the initial allocation of indirect costs of the Department's program divisions. Subsequent allocation of indirect costs to the grant or funding source level is done on a quarterly basis in accordance with the PACAP along with the allocable administrative costs incurred by program activities.

The implementation of both cost allocation plans assures that indirect cost recoveries for all federal grants administered by the Department are maximized.

The process for indirect cost recovery is as described above for all Department grant programs except the Social Security – Disability Insurance (CFDA No. 96.001) and the Rehabilitation Services – Vocational Rehabilitation Grants to States (CFDA No. 84.126) programs. The costs compiled in the DICAP attributable to these two program areas are converted to an indirect cost rate and applied to the applicable direct personal services cost pool to derive the indirect costs for these two program areas. The federal grantor agencies responsible for these two areas of the Department have required indirect cost rates rather than the allocation of indirect costs using the above-described process.

4. DESCRIPTION OF SIGNIFICANT FEDERAL AWARD PROGRAMS

The following is a brief description of the significant programs included in the Schedules of Expenditures of Federal Awards:

A. U.S. Department of Agriculture

The Department accounted for revenues and expenditures incurred in the administration of all significant U.S. Department of Agriculture (USDA) awards in various funds under its control.

1. Food Stamp Cluster: Food Stamps CFDA No. 10.551 and State Administrative Matching Grants for Food Stamp Program CFDA No. 10.561

The objective of these programs is to help low-income households buy the food they need for good health.

**ILLINOIS DEPARTMENT OF HUMAN SERVICES
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS – Continued**

4. DESCRIPTION OF SIGNIFICANT FEDERAL AWARD PROGRAMS – Continued

A. U.S. Department of Agriculture – Continued

2. Special Supplemental Nutrition Program for Women, Infants and Children CFDA No. 10.557

The objective of this program is to provide supplemental nutritious foods, nutrition education, and referrals to health care for low-income persons during critical periods of growth and development.

B. U.S. Department of Education

The Department accounted for revenues and expenditures incurred in the administration of all significant U.S. Department of Education (USDE) awards in various funds under its control.

1. Rehabilitation Services – Vocational Rehabilitation Grants to States CFDA No. 84.126

The purpose of this program is to assist states in operating a comprehensive and accountable program designed to assess, plan, develop, and provide vocational rehabilitation services for individuals with disabilities, consistent with their strengths, resources, priorities, concerns, abilities, and capabilities, so such individuals may prepare for, and engage in, gainful employment.

2. Special Education – Grants for Infants and Families with Disabilities CFDA No. 84.181

The purpose of this program is to assist each state to develop and implement a Statewide comprehensive, coordinated, multidisciplinary, interagency system to provide early intervention services for infants and toddlers with disabilities, and their families.

C. U.S. Department of Health and Human Services

The Department accounted for revenues and expenditures incurred in the administration of significant U.S. Department of Health and Human Services (DHHS) awards in various funds under its control.

ILLINOIS DEPARTMENT OF HUMAN SERVICES
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS – Continued

4. DESCRIPTION OF SIGNIFICANT FEDERAL AWARD PROGRAMS – Continued

C. U.S. Department of Health and Human Services – Continued

1. Temporary Assistance for Needy Families CFDA No. 93.558

The objectives of this program are to provide time-limited assistance to needy families with children so the children can be cared for in their own home or in homes of relatives; end dependence of needy parents on government benefits by promoting job preparation, work, and marriage; prevent and reduce out-of-wedlock pregnancies, including establishing prevention and reduction goals; and, encourage the formation and maintenance of two-parent families.

2. Child Care Cluster: Child Care and Development Block Grant CFDA No. 93.575; and Child Care Mandatory and Matching Funds of the Child Care and Development Fund CFDA No. 93.596

The Child Care and Development Fund provides funds to states to increase the availability, affordability, and quality of child care services for low-income families where the parents are working or attending training or educational programs.

3. Social Services Block Grant CFDA No. 93.667

The purpose of this program is to provide funds to states to provide services for individuals, families, and entire population groups in one or more of five specified social service areas.

4. Medical Assistance Program CFDA No. 93.778

The objective of this program is to provide financial assistance to states for payments of medical assistance on behalf of cash assistance recipients, children, pregnant women, and the aged who meet income and resource requirements, and other category-eligible groups.

5. Block Grants for Prevention and Treatment of Substance Abuse CFDA No. 93.959

The objective of this program is to provide funds to states, territories, and one Indian tribe for the purpose of planning, carrying out and evaluating activities to prevent and treat substance abuse and other related activities as authorized by statute.

**ILLINOIS DEPARTMENT OF HUMAN SERVICES
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS – Continued**

4. DESCRIPTION OF SIGNIFICANT FEDERAL AWARD PROGRAMS – Continued

D. Social Security Administration

The Social Security Administration administers a national program of contributory social insurance. Employees, employers, and the self-employed pay contributions, which are pooled in special trust funds. When earnings cease or are reduced because the worker retires, dies, or becomes disabled, monthly cash benefits are paid to replace part of the earnings the family has lost.

1. Disability Insurance/SSI Cluster: Social Security – Disability Insurance CFDA No. 96.001

The purpose of this program is to reimburse states for the cost of performing disability determinations under the Disability Insurance and Supplemental Security Income programs on behalf of the Social Security Administration.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2007
FOURTEEN MONTHS ENDED AUGUST 31, 2007
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2007	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2007
PUBLIC ACTS 94-798, 95-0144						
Appropriated Funds						
General Revenue Fund - 0001:						
Distributive Items	\$ 791,449	\$ 652,594	\$ 64,416	\$ 717,010	\$ 74,439	\$ -
Attorney General Representative	197	186	8	194	3	-
Administrative and Program Support	91,839	72,510	17,686	90,196	1,643	-
Management Information Service	43,583	32,662	10,295	42,957	626	-
Disability Determination Services Bureau	2,315	2,043	269	2,312	3	-
Home Services Program	415,146	373,934	29,141	403,075	12,071	-
Mental Health Grants-in-aid and Purchase of Care	323,036	317,770	4,253	322,023	1,013	-
Inspector General	4,471	4,135	223	4,358	113	-
Developmental Disabilities Grants-in-aid and Purchase of Care	983,926	949,487	29,883	979,370	4,556	-
Addiction Prevention	7,619	6,663	956	7,619	-	-
Addiction Treatment	164,486	157,726	6,739	164,465	21	-
Lincoln Developmental Center	991	805	95	900	91	-
Rehabilitation Service Bureaus	17,689	17,052	425	17,477	212	-
Disability/Behavioral Health Program Administration	34,881	31,403	3,073	34,476	405	-
Community and Resident Services For Blind and Visually Impaired	1,734	1,619	94	1,713	21	-
Employment and Social Service Program	270,478	247,457	17,330	264,787	5,691	-
Juvenile Justice Program	322	305	13	318	4	-
Community Health	121,819	110,822	10,353	121,175	644	-
Community Youth Services	104,285	100,624	3,481	104,105	180	-
Total General Revenue Fund	<u>\$ 3,380,266</u>	<u>\$ 3,079,797</u>	<u>\$ 198,733</u>	<u>\$ 3,278,530</u>	<u>\$ 101,736</u>	<u>\$ -</u>
Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund - 0013:						
Administration and Program Support	\$ 220	\$ 154	\$ 51	\$ 205	\$ 15	\$ -
Addiction Prevention	16,000	12,537	935	13,472	2,528	-
Addiction Treatment	62,422	34,431	19,888	54,319	8,103	-
Total Alcoholism and Substance Abuse Block Grant Fund	<u>\$ 78,642</u>	<u>\$ 47,122</u>	<u>\$ 20,874</u>	<u>\$ 67,996</u>	<u>\$ 10,646</u>	<u>\$ -</u>
Illinois Veterans' Rehabilitation Fund - 0036:						
Rehabilitation Service Bureaus	\$ 4,431	\$ 2,755	\$ 1,531	\$ 4,286	\$ 145	\$ -
Total Illinois Veterans' Rehabilitation Fund	<u>\$ 4,431</u>	<u>\$ 2,755</u>	<u>\$ 1,531</u>	<u>\$ 4,286</u>	<u>\$ 145</u>	<u>\$ -</u>

(Continued)

Note: All data on this schedule was obtained from Comptroller records which have been reconciled to those of the Department.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2007
FOURTEEN MONTHS ENDED AUGUST 31, 2007
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2007	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2007
Mental Health Fund - 0050:						
Administrative and Program Support	\$ 100	\$ 7	\$ -	\$ 7	\$ 93	\$ -
Management Information Service	650	632	13	645	5	-
Developmental Disabilities Grants-in-aid and Purchase of Care	9,966	9,966	-	9,966	-	-
Disability/Behavioral Health Program Administration	4,770	2,453	913	3,366	1,404	-
Total Mental Health Fund	<u>\$ 15,486</u>	<u>\$ 13,058</u>	<u>\$ 926</u>	<u>\$ 13,984</u>	<u>\$ 1,502</u>	<u>\$ -</u>
Vocational Rehabilitation Fund - 0081:						
Administrative and Program Support	\$ 17,122	\$ 11,211	\$ 3,406	\$ 14,617	\$ 2,505	\$ -
Management Information Service	7,972	3,611	633	4,244	3,728	-
Rehabilitation Service Bureaus	128,309	78,095	3,217	81,312	35,953	11,044
Client Assistance Project	924	482	35	517	407	-
Disability/Behavioral Health Program Administration	1,078	752	46	798	280	-
Total Vocational Rehabilitation Fund	<u>\$ 155,405</u>	<u>\$ 94,151</u>	<u>\$ 7,337</u>	<u>\$ 101,488</u>	<u>\$ 42,873</u>	<u>\$ 11,044</u>
Assistance to the Homeless Fund - 0100:						
Employment and Social Service Program	\$ 300	\$ 269	\$ -	\$ 269	\$ 31	\$ -
Total Assistance to the Homeless Fund	<u>\$ 300</u>	<u>\$ 269</u>	<u>\$ -</u>	<u>\$ 269</u>	<u>\$ 31</u>	<u>\$ -</u>
Youth Alcoholism and Substance Abuse Prevention Fund - 0128:						
Addiction Prevention	\$ 1,200	\$ 992	\$ 95	\$ 1,087	\$ 113	\$ -
Total Youth Alcoholism and Substance Abuse Prevention Fund	<u>\$ 1,200</u>	<u>\$ 992</u>	<u>\$ 95</u>	<u>\$ 1,087</u>	<u>\$ 113</u>	<u>\$ -</u>
State Gaming Fund - 0129:						
Addiction Treatment	\$ 960	\$ 595	\$ 222	\$ 817	\$ 143	\$ -
Total State Gaming Fund	<u>\$ 960</u>	<u>\$ 595</u>	<u>\$ 222</u>	<u>\$ 817</u>	<u>\$ 143</u>	<u>\$ -</u>
Mental Health Transportation Fund - 0134						
Mental Health Grants-in-aid and Purchase of Care	\$ 1,200	\$ 744	\$ 83	\$ 827	\$ 373	\$ -
Total Mental Health Transportation Fund	<u>\$ 1,200</u>	<u>\$ 744</u>	<u>\$ 83</u>	<u>\$ 827</u>	<u>\$ 373</u>	<u>\$ -</u>
Community DD Services Medicaid Trust Fund - 0142:						
Developmental Disabilities Grants-in-aid and Purchase of Care	\$ 5,000	\$ 4,017	\$ 982	\$ 4,999	\$ 1	\$ -
Total Community DD Services Medicaid Trust Fund	<u>\$ 5,000</u>	<u>\$ 4,017</u>	<u>\$ 982</u>	<u>\$ 4,999</u>	<u>\$ 1</u>	<u>\$ -</u>

Note: All data on this schedule was obtained from Comptroller records which have been reconciled to those of the Department.

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STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2007
FOURTEEN MONTHS ENDED AUGUST 31, 2007
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2007	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2007
Diabetes Research Check-off Fund - 0198						
Community Health	\$ 100	\$ 100	\$ -	\$ 100	\$ -	\$ -
Total Diabetes Research Check-off Fund	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>
Autism Research Check-off Fund - 0228						
Developmental Disabilities Grants-in-aid and Purchase of Care	\$ 100	\$ -	\$ -	\$ -	\$ 100	\$ -
Total Autism Research Check-off Fund	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ -</u>
Drunk and Drugged Driving Prevention Fund - 0276:						
Addiction Treatment	\$ 3,083	\$ 1,594	\$ 240	\$ 1,834	\$ 1,249	\$ -
Total Drunk and Drugged Driving Prevention Fund	<u>\$ 3,083</u>	<u>\$ 1,594</u>	<u>\$ 240</u>	<u>\$ 1,834</u>	<u>\$ 1,249</u>	<u>\$ -</u>
Illinois Affordable Housing Trust Fund - 0286						
Developmental Disabilities Grants-in-aid and Purchase of Care	\$ 1,300	\$ 1,299	\$ -	\$ 1,299	\$ 1	\$ -
Employment and Social Service Program	11,000	10,992	1	10,993	7	-
Total Illinois Affordable Housing Trust Fund	<u>\$ 12,300</u>	<u>\$ 12,291</u>	<u>\$ 1</u>	<u>\$ 12,292</u>	<u>\$ 8</u>	<u>\$ -</u>
Federal National Community Services Fund - 0343:						
Administrative and Program Support	\$ 31	\$ 25	\$ 6	\$ 31	\$ -	\$ -
Community Health	12,970	5,860	1,580	7,440	5,530	-
Total Federal National Community Services Fund	<u>\$ 13,001</u>	<u>\$ 5,885</u>	<u>\$ 1,586</u>	<u>\$ 7,471</u>	<u>\$ 5,530</u>	<u>\$ -</u>
Care Provider for Persons with Developmental Disabilities Fund - 0344:						
Developmental Disabilities Grants-in-aid and Purchase of Care	\$ 40,000	\$ 39,718	\$ 282	\$ 40,000	\$ -	\$ -
Total Care Provider for Persons with Developmental Disabilities Fund	<u>\$ 40,000</u>	<u>\$ 39,718</u>	<u>\$ 282</u>	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ -</u>
Employment and Training Fund - 0347:						
Employment and Social Service Program	\$ 105,955	\$ 9,690	\$ 356	\$ 10,046	\$ 95,909	\$ -
Total Employment and Training Fund	<u>\$ 105,955</u>	<u>\$ 9,690</u>	<u>\$ 356</u>	<u>\$ 10,046</u>	<u>\$ 95,909</u>	<u>\$ -</u>
Health and Human Services Medicaid Trust Fund - 0365:						
Developmental Disabilities Grants-in-aid and Purchase of Care	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
Total Health and Human Services Medicaid Trust Fund	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ -</u>

(Continued)

Note: All data on this schedule was obtained from Comptroller records which have been reconciled to those of the Department.

STATE OF ILLINOIS
 DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 APPROPRIATIONS FOR FISCAL YEAR 2007
 FOURTEEN MONTHS ENDED AUGUST 31, 2007
 (expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2007	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2007
Drug Treatment Fund - 0368:						
Administrative and Program Support	\$ 5	\$ -	\$ -	\$ -	\$ 5	\$ -
Addiction Treatment	5,000	3,508	71	3,579	1,421	-
Total Drug Treatment Fund	<u>\$ 5,005</u>	<u>\$ 3,508</u>	<u>\$ 71</u>	<u>\$ 3,579</u>	<u>\$ 1,426</u>	<u>\$ -</u>
Sexual Assault Services Fund - 0389:						
Community Health	\$ 100	\$ -	\$ 24	\$ 24	\$ 76	\$ -
Total Sexual Assault Services Fund	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 24</u>	<u>\$ 24</u>	<u>\$ 76</u>	<u>\$ -</u>
DHS Special Purposes Trust Fund - 0408:						
Administrative and Program Support	\$ 507	\$ 399	\$ 108	\$ 507	\$ -	\$ -
Disability Determination Services Bureau	606	482	34	516	90	-
Employment and Social Service Program	188,874	143,344	9,476	152,820	36,054	-
Community Health	10,676	6,223	2,040	8,263	2,413	-
Community Youth Services	3,665	2,931	732	3,663	2	-
Total DHS Special Purposes Trust Fund	<u>\$ 204,328</u>	<u>\$ 153,379</u>	<u>\$ 12,390</u>	<u>\$ 165,769</u>	<u>\$ 38,559</u>	<u>\$ -</u>
Old Age Survivors Insurance Fund - 0495:						
Administrative and Program Support	\$ 2,745	\$ 2,080	\$ 665	\$ 2,745	\$ -	\$ -
Disability Determination Services Bureau	77,686	53,494	3,194	56,688	20,998	-
Total Old Age Survivors Insurance Fund	<u>\$ 80,431</u>	<u>\$ 55,574</u>	<u>\$ 3,859</u>	<u>\$ 59,433</u>	<u>\$ 20,998</u>	<u>\$ -</u>
Early Intervention Services Revolving Fund - 0502:						
Administrative and Program Support	\$ 367	\$ 254	\$ 21	\$ 275	\$ 92	\$ -
Community Youth Services	134,914	117,668	9,957	127,625	7,289	-
Total Early Intervention Services Revolving Fund	<u>\$ 135,281</u>	<u>\$ 117,922</u>	<u>\$ 9,978</u>	<u>\$ 127,900</u>	<u>\$ 7,381</u>	<u>\$ -</u>
Domestic Violence Abuser Services Fund - 0528:						
Community Health	\$ 100	\$ 6	\$ 12	\$ 18	\$ 82	\$ -
Total Domestic Violence Abuser Services Fund	<u>\$ 100</u>	<u>\$ 6</u>	<u>\$ 12</u>	<u>\$ 18</u>	<u>\$ 82</u>	<u>\$ -</u>

(Continued)

Note: All data on this schedule was obtained from Comptroller records which have been reconciled to those of the Department.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2007
FOURTEEN MONTHS ENDED AUGUST 31, 2007
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2007	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2007
DHS Federal Projects Fund - 0592:						
Administrative and Program Support	\$ 475	\$ -	\$ -	\$ -	\$ 475	\$ -
Mental Health Grants-in-aid and Purchase of Care	16,000	6,435	321	6,756	9,244	-
Disability/Behavioral Health Program Administration	5,949	1,709	66	1,775	4,174	-
Community Health	19,883	11,177	494	11,671	8,212	-
Total DHS Federal Projects Fund	<u>\$ 42,307</u>	<u>\$ 19,321</u>	<u>\$ 881</u>	<u>\$ 20,202</u>	<u>\$ 22,105</u>	<u>\$ -</u>
Multiple Sclerosis Assistance Fund - 0604:						
Rehabilitation Service Bureaus	\$ 300	\$ 55	\$ 97	\$ 152	\$ 148	\$ -
Total Multiple Sclerosis Assistance Fund	<u>\$ 300</u>	<u>\$ 55</u>	<u>\$ 97</u>	<u>\$ 152</u>	<u>\$ 148</u>	<u>\$ -</u>
State Projects Fund - 0642:						
Community Health	\$ 2,729	\$ 1,589	\$ 187	\$ 1,776	\$ 953	\$ -
Total State Projects Fund	<u>\$ 2,729</u>	<u>\$ 1,589</u>	<u>\$ 187</u>	<u>\$ 1,776</u>	<u>\$ 953</u>	<u>\$ -</u>
Alcoholism and Substance Abuse Fund - 0646:						
Addiction Prevention	\$ 6,009	\$ 2,744	\$ 401	\$ 3,145	\$ 2,864	\$ -
Addiction Treatment	22,103	13,873	1,603	15,476	6,627	-
Total Alcoholism and Substance Abuse Fund	<u>\$ 28,112</u>	<u>\$ 16,617</u>	<u>\$ 2,004</u>	<u>\$ 18,621</u>	<u>\$ 9,491</u>	<u>\$ -</u>
DHS Private Resources Fund - 0690:						
Administrative and Program Support	\$ 150	\$ -	\$ -	\$ -	\$ 150	\$ -
Total DHS Private Resources Fund	<u>\$ 150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ -</u>
U.S.D.A. Women, Infants and Children Fund - 0700:						
Administrative and Program Support	\$ 555	\$ 277	\$ 77	\$ 354	\$ 201	\$ -
Management Information Service	1,224	616	47	663	561	-
Community Health	277,567	240,448	19,244	259,692	17,875	-
Total U.S.D.A. Women, Infants and Children Fund	<u>\$ 279,346</u>	<u>\$ 241,341</u>	<u>\$ 19,368</u>	<u>\$ 260,709</u>	<u>\$ 18,637</u>	<u>\$ -</u>
Community Mental Health Medicaid Trust Fund - 0718:						
Mental Health Grants-in-aid and Purchase of Care	\$ 95,690	\$ 82,383	\$ 1,821	\$ 84,204	\$ 11,486	\$ -
Total Community Mental Health Medicaid Trust Fund	<u>\$ 95,690</u>	<u>\$ 82,383</u>	<u>\$ 1,821</u>	<u>\$ 84,204</u>	<u>\$ 11,486</u>	<u>\$ -</u>

Note: All data on this schedule was obtained from Comptroller records which have been reconciled to those of the Department.

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STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2007
FOURTEEN MONTHS ENDED AUGUST 31, 2007
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2007	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2007
Tobacco Settlement Recovery Fund - 0733:						
Community Health	\$ 2,750	\$ 2,635	\$ 77	\$ 2,712	\$ 38	\$ -
Total Tobacco Settlement Recovery Fund	<u>\$ 2,750</u>	<u>\$ 2,635</u>	<u>\$ 77</u>	<u>\$ 2,712</u>	<u>\$ 38</u>	<u>\$ -</u>
Local Initiative Fund - 0762:						
Administrative and Program Support	\$ 102	\$ 83	\$ 19	\$ 102	\$ -	\$ -
Employment and Social Service Program	22,328	18,474	2,250	20,724	1,604	-
Total Local Initiative Fund	<u>\$ 22,430</u>	<u>\$ 18,557</u>	<u>\$ 2,269</u>	<u>\$ 20,826</u>	<u>\$ 1,604</u>	<u>\$ -</u>
Rehabilitation Services Elementary and Secondary Education Act Fund - 0798:						
Disability/Behavioral Health Program Administration	\$ 1,350	\$ 457	\$ 131	\$ 588	\$ 762	\$ -
Total Rehabilitation Services Elementary and Secondary Education Act Fund	<u>\$ 1,350</u>	<u>\$ 457</u>	<u>\$ 131</u>	<u>\$ 588</u>	<u>\$ 762</u>	<u>\$ -</u>
Domestic Violence Shelter and Service Fund - 0865:						
Administrative and Program Support	\$ 53	\$ 42	\$ 11	\$ 53	\$ -	\$ -
Community Health	952	485	186	671	281	-
Total Domestic Violence Shelter and Service Fund	<u>\$ 1,005</u>	<u>\$ 527</u>	<u>\$ 197</u>	<u>\$ 724</u>	<u>\$ 281</u>	<u>\$ -</u>
Maternal and Child Health Services Block Grant Fund - 0872:						
Administrative and Program Support	\$ 5	\$ -	\$ -	\$ -	\$ 5	\$ -
Management Information Service	236	211	13	224	12	-
Community Health	27,989	17,121	2,740	19,861	8,128	-
Total Maternal and Child Health Services Block Grant Fund	<u>\$ 28,230</u>	<u>\$ 17,332</u>	<u>\$ 2,753</u>	<u>\$ 20,085</u>	<u>\$ 8,145</u>	<u>\$ -</u>
Preventive Health and Health Services Block Grant Fund - 0873:						
Community Health	\$ 1,555	\$ 74	\$ 230	\$ 304	\$ 1,251	\$ -
Total Preventive Health and Health Services Block Grant Fund	<u>\$ 1,555</u>	<u>\$ 74</u>	<u>\$ 230</u>	<u>\$ 304</u>	<u>\$ 1,251</u>	<u>\$ -</u>
Community Mental Health Services Block Grant Fund - 0876:						
Administrative and Program Support	\$ 66	\$ 49	\$ 16	\$ 65	\$ 1	\$ -
Mental Health Grants-in-aid and Purchase of Care	18,484	16,037	39	16,076	2,408	-
Total Community Mental Health Services Block Grant Fund	<u>\$ 18,550</u>	<u>\$ 16,086</u>	<u>\$ 55</u>	<u>\$ 16,141</u>	<u>\$ 2,409</u>	<u>\$ -</u>

Note: All data on this schedule was obtained from Comptroller records which have been reconciled to those of the Department.

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STATE OF ILLINOIS
 DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 APPROPRIATIONS FOR FISCAL YEAR 2007
 FOURTEEN MONTHS ENDED AUGUST 31, 2007
 (expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2007	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2007
Youth Drug Abuse Prevention Fund - 0910:						
Administrative and Program Support	\$ 30	\$ -	\$ -	\$ -	\$ 30	\$ -
Addiction Treatment	530	430	-	430	100	-
Total Youth Drug Abuse Prevention Fund	<u>\$ 560</u>	<u>\$ 430</u>	<u>\$ -</u>	<u>\$ 430</u>	<u>\$ 130</u>	<u>\$ -</u>
Juvenile Justice Trust Fund - 0911:						
Administrative and Program Support	\$ 8	\$ 6	\$ 1	\$ 7	\$ 1	\$ -
Juvenile Justice Program	13,432	2,311	243	2,554	10,878	-
Total Juvenile Justice Trust Fund	<u>\$ 13,440</u>	<u>\$ 2,317</u>	<u>\$ 244</u>	<u>\$ 2,561</u>	<u>\$ 10,879</u>	<u>\$ -</u>
DHS Recoveries Trust Fund - 0921:						
Administrative and Program Support	\$ 5,893	\$ 3,921	\$ 283	\$ 4,204	\$ 1,689	\$ -
Total DHS Recoveries Trust Fund	<u>\$ 5,893</u>	<u>\$ 3,921</u>	<u>\$ 283</u>	<u>\$ 4,204</u>	<u>\$ 1,689</u>	<u>\$ -</u>
Total Appropriated Funds	<u>\$ 4,802,071</u>	<u>\$ 4,066,809</u>	<u>\$ 290,179</u>	<u>\$ 4,356,988</u>	<u>\$ 434,039</u>	<u>\$ 11,044</u>
Non-Appropriated Funds						
Vocational Rehabilitation Fund - 0081:						
Administrative and Program Support		\$ 91	\$ -	\$ 91		
Total Vocational Rehabilitation Fund		<u>\$ 91</u>	<u>\$ -</u>	<u>\$ 91</u>		
Hansen-Therkelsen Memorial Deaf Student College Fund - 0123:						
School for the Deaf		\$ 3	\$ -	\$ 3		
Total Hansen-Therkelsen Memorial Deaf Student College Fund		<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 3</u>		

(Continued)

Note: All data on this schedule was obtained from Comptroller records which have been reconciled to those of the Department.

STATE OF ILLINOIS
 DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 APPROPRIATIONS FOR FISCAL YEAR 2007
 FOURTEEN MONTHS ENDED AUGUST 31, 2007
 (expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2007	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2007
DHS Special Purposes Trust Fund - 0408:						
Employment and Social Service Program		\$ 6,261	\$ 1,824	\$ 8,085		
Total DHS Special Purposes Trust Fund		<u>\$ 6,261</u>	<u>\$ 1,824</u>	<u>\$ 8,085</u>		
Electronic Benefits Transfers Fund - 0540:						
Distributive Items		\$ 147,135	\$ -	\$ 147,135		
Total Electronic Benefits Transfer Fund		<u>\$ 147,135</u>	<u>\$ -</u>	<u>\$ 147,135</u>		
State Projects Fund - 0642:						
Rehabilitation Service Bureaus		\$ 108	\$ 383	\$ 491		
Total State Projects Fund		<u>\$ 108</u>	<u>\$ 383</u>	<u>\$ 491</u>		
DHS Private Resources Fund - 0690:						
Administrative and Program Support		\$ 1	\$ -	\$ 1		
Mental Health Grants-in-aid and Purchase of Care		93	1	94		
Disability/Behavioral Health Program Administration		11	11	22		
Community Health		16	6	22		
Total DHS Private Resources Fund		<u>\$ 121</u>	<u>\$ 18</u>	<u>\$ 139</u>		
DHS Recoveries Trust Fund - 0921:						
Distributive Items		\$ 4,420	\$ 719	\$ 5,139		
Total DHS Recoveries Trust Fund		<u>\$ 4,420</u>	<u>\$ 719</u>	<u>\$ 5,139</u>		
Total Non-Appropriated Funds		<u>\$ 158,139</u>	<u>\$ 2,944</u>	<u>\$ 161,083</u>		
Total All Funds		<u>\$ 4,224,948</u>	<u>\$ 293,123</u>	<u>\$ 4,518,071</u>		

(Concluded)

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STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2006
FOURTEEN MONTHS ENDED AUGUST 31, 2006
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2006	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2006
PUBLIC ACTS 94-0015, 94-0798						
Appropriated Funds						
General Revenue Fund - 0001:						
Distributive Items	\$ 770,093	\$ 706,305	\$ 60,014	\$ 766,319	\$ 3,774	\$ -
Attorney General Representative	190	178	8	186	4	-
Administrative and Program Support	87,469	78,110	8,548	86,658	811	-
Management Information Service	44,728	34,997	9,495	44,492	236	-
Disability Determination Services Bureau	1,815	1,619	195	1,814	1	-
Home Services Program	384,655	350,046	25,701	375,747	8,908	-
Mental Health Grants-in-aid and Purchase of Care	316,385	311,309	4,625	315,934	451	-
Inspector General	4,166	3,828	221	4,049	117	-
Developmental Disabilities Grants-in-aid and Purchase of Care	965,160	936,886	27,497	964,383	777	-
Addiction Prevention	5,269	5,126	134	5,260	9	-
Addiction Treatment	164,412	155,213	7,095	162,308	2,104	-
Lincoln Developmental Center	991	704	140	844	147	-
Rehabilitation Service Bureaus	16,386	15,900	341	16,241	145	-
Disability/Behavioral Health Program Administration	25,854	23,610	2,106	25,716	138	-
Community and Resident Services For Blind and Visually Impaired	1,426	1,300	68	1,368	58	-
Employment and Social Service Program	257,434	242,305	13,920	256,225	1,209	-
Juvenile Justice Program	349	318	13	331	18	-
Community Health	117,256	110,496	5,852	116,348	908	-
Community Youth Services	98,800	95,907	2,608	98,515	285	-
Total General Revenue Fund	<u>\$ 3,262,838</u>	<u>\$ 3,074,157</u>	<u>\$ 168,581</u>	<u>\$ 3,242,738</u>	<u>\$ 20,100</u>	<u>\$ -</u>
Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund - 0013:						
Administration and Program Support	\$ 221	\$ 201	\$ 18	\$ 219	\$ 2	\$ -
Addiction Prevention	16,000	13,662	1,624	15,286	714	-
Addiction Treatment	62,528	45,534	8,827	54,361	8,167	-
Total Alcoholism and Substance Abuse Block Grant Fund	<u>\$ 78,749</u>	<u>\$ 59,397</u>	<u>\$ 10,469</u>	<u>\$ 69,866</u>	<u>\$ 8,883</u>	<u>\$ -</u>
Illinois Veterans' Rehabilitation Fund - 0036:						
Rehabilitation Service Bureaus	\$ 4,315	\$ 3,345	\$ 718	\$ 4,063	\$ 252	\$ -
Total Illinois Veterans' Rehabilitation Fund	<u>\$ 4,315</u>	<u>\$ 3,345</u>	<u>\$ 718</u>	<u>\$ 4,063</u>	<u>\$ 252</u>	<u>\$ -</u>

(Continued)

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STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2006
FOURTEEN MONTHS ENDED AUGUST 31, 2006
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2006	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2006
Mental Health Fund - 0050:						
Administrative and Program Support	\$ 100	\$ 6	\$ 1	\$ 7	\$ 93	\$ -
Management Information Service	650	420	14	434	216	-
Developmental Disabilities Grants-in-aid and Purchase of Care	9,966	9,956	6	9,962	4	-
Disability/Behavioral Health Program Administration	4,770	2,446	341	2,787	1,983	-
Total Mental Health Fund	<u>\$ 15,486</u>	<u>\$ 12,828</u>	<u>\$ 362</u>	<u>\$ 13,190</u>	<u>\$ 2,296</u>	<u>\$ -</u>
Vocational Rehabilitation Fund - 0081:						
Administrative and Program Support	\$ 15,832	\$ 12,234	\$ 1,097	\$ 13,331	\$ 2,501	\$ -
Management Information Service	7,516	3,893	595	4,488	3,028	-
Rehabilitation Service Bureaus	126,174	79,487	1,776	81,263	34,472	10,439
Client Assistance Project	916	440	27	467	449	-
DHS Administration	1,184	698	26	724	460	-
Total Vocational Rehabilitation Fund	<u>\$ 151,622</u>	<u>\$ 96,752</u>	<u>\$ 3,521</u>	<u>\$ 100,273</u>	<u>\$ 40,910</u>	<u>\$ 10,439</u>
Assistance to the Homeless Fund - 0100:						
Employment and Social Service Program	\$ 300	\$ 300	\$ -	\$ 300	\$ -	\$ -
Total Assistance to the Homeless Fund	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ -</u>
Youth Alcoholism and Substance Abuse Prevention Fund - 0128:						
Addiction Prevention	\$ 1,200	\$ 973	\$ -	\$ 973	\$ 227	\$ -
Total Youth Alcoholism and Substance Abuse Prevention Fund	<u>\$ 1,200</u>	<u>\$ 973</u>	<u>\$ -</u>	<u>\$ 973</u>	<u>\$ 227</u>	<u>\$ -</u>
State Gaming Fund - 0129:						
Addiction Treatment	\$ 960	\$ 536	\$ 148	\$ 684	\$ 276	\$ -
Total State Gaming Fund	<u>\$ 960</u>	<u>\$ 536</u>	<u>\$ 148</u>	<u>\$ 684</u>	<u>\$ 276</u>	<u>\$ -</u>
Community DD Services Medicaid Trust Fund - 142						
Developmental Disabilities Grants-in-aid and Purchase of Care	\$ 5,000	\$ 2,864	\$ 76	\$ 2,940	\$ 2,060	\$ -
Total Community DD Services Medicaid Trust Fund	<u>\$ 5,000</u>	<u>\$ 2,864</u>	<u>\$ 76</u>	<u>\$ 2,940</u>	<u>\$ 2,060</u>	<u>\$ -</u>

(Continued)

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STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2006
FOURTEEN MONTHS ENDED AUGUST 31, 2006
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2006	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2006
Drunk and Drugged Driving Prevention Fund - 0276:						
Addiction Treatment	\$ 3,083	\$ 1,453	\$ 195	\$ 1,648	\$ 1,435	\$ -
Total Drunk and Drugged Driving Prevention Fund	<u>\$ 3,083</u>	<u>\$ 1,453</u>	<u>\$ 195</u>	<u>\$ 1,648</u>	<u>\$ 1,435</u>	<u>\$ -</u>
Community MH/DD Services Provider Participation Fee Fund - 0325:						
Developmental Disabilities Grants-in-aid and Purchase of Care	\$ 500	\$ -	\$ -	\$ -	\$ 500	\$ -
Total Community MH/DD Services Provider Participation Fee Fund	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ -</u>
Federal National Community Services Fund - 0343:						
Administration and Program Support	\$ 30	\$ 29	\$ -	\$ 29	\$ 1	\$ -
Community Health	12,970	5,449	871	6,320	6,650	-
Total Federal National Community Services Fund	<u>\$ 13,000</u>	<u>\$ 5,478</u>	<u>\$ 871</u>	<u>\$ 6,349</u>	<u>\$ 6,651</u>	<u>\$ -</u>
Care Provider for Persons with Developmental Disabilities Fund - 0344:						
Developmental Disabilities Grants-in-aid and Purchase of Care	\$ 40,000	\$ 38,702	\$ 1,181	\$ 39,883	\$ 117	\$ -
Total Care Provider for Persons with Developmental Disabilities Fund	<u>\$ 40,000</u>	<u>\$ 38,702</u>	<u>\$ 1,181</u>	<u>\$ 39,883</u>	<u>\$ 117</u>	<u>\$ -</u>
Employment and Training Fund - 0347:						
Employment and Social Service Program	\$ 105,955	\$ 4,736	\$ 348	\$ 5,084	\$ 100,871	\$ -
Total Employment and Training Fund	<u>\$ 105,955</u>	<u>\$ 4,736</u>	<u>\$ 348</u>	<u>\$ 5,084</u>	<u>\$ 100,871</u>	<u>\$ -</u>
Drug Treatment Fund - 0368:						
Administrative and Program Support	\$ 5	\$ -	\$ -	\$ -	\$ 5	\$ -
Addiction Treatment	5,000	3,469	93	3,562	1,438	-
Total Drug Treatment Fund	<u>\$ 5,005</u>	<u>\$ 3,469</u>	<u>\$ 93</u>	<u>\$ 3,562</u>	<u>\$ 1,443</u>	<u>\$ -</u>
Sexual Assault Services Fund - 0389:						
Community Health	\$ 100	\$ 24	\$ -	\$ 24	\$ 76	\$ -
Total Sexual Assault Services Fund	<u>\$ 100</u>	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ 24</u>	<u>\$ 76</u>	<u>\$ -</u>

(Continued)

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STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2006
FOURTEEN MONTHS ENDED AUGUST 31, 2006
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2006	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2006
DHS Special Purposes Trust Fund - 0408:						
Administrative and Program Support	\$ 392	\$ 391	\$ 1	\$ 392	\$ -	\$ -
Disability Determination Services Bureau	606	485	24	509	97	-
Employment and Social Service Program	204,715	139,546	12,465	152,011	52,704	-
Community Health	10,676	6,395	2,000	8,395	2,281	-
Community Youth Services	3,665	2,980	668	3,648	17	-
Total DHS Special Purposes Trust Fund	<u>\$ 220,054</u>	<u>\$ 149,797</u>	<u>\$ 15,158</u>	<u>\$ 164,955</u>	<u>\$ 55,099</u>	<u>\$ -</u>
DHS/State Projects Fund - 0448:						
Rehabilitation Service Bureaus	\$ 15	\$ -	\$ -	\$ -	\$ 15	\$ -
Total DHS/State Projects Fund	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ -</u>
Old Age Survivors Insurance Fund - 0495:						
Administrative and Program Support	\$ 2,740	\$ 2,514	\$ 226	\$ 2,740	\$ -	\$ -
Disability Determination Services Bureau	77,821	53,685	2,840	56,525	21,296	-
Total Old Age Survivors Insurance Fund	<u>\$ 80,561</u>	<u>\$ 56,199</u>	<u>\$ 3,066</u>	<u>\$ 59,265</u>	<u>\$ 21,296</u>	<u>\$ -</u>
Early Intervention Services Revolving Fund - 0502:						
Administrative and Program Support	\$ 364	\$ 205	\$ 12	\$ 217	\$ 147	\$ -
Community Youth Services	134,914	111,270	8,356	119,626	15,288	-
Total Early Intervention Services Revolving Fund	<u>\$ 135,278</u>	<u>\$ 111,475</u>	<u>\$ 8,368</u>	<u>\$ 119,843</u>	<u>\$ 15,435</u>	<u>\$ -</u>
Domestic Violence Abuser Services Fund - 0528:						
Community Health	\$ 100	\$ 37	\$ -	\$ 37	\$ 63	\$ -
Total Domestic Violence Abuser Services Fund	<u>\$ 100</u>	<u>\$ 37</u>	<u>\$ -</u>	<u>\$ 37</u>	<u>\$ 63</u>	<u>\$ -</u>
DHS Federal Projects Fund - 0592:						
Administrative and Program Support	\$ 475	\$ 36	\$ -	\$ 36	\$ 439	\$ -
Mental Health Grants-in-aid and Purchase of Care	16,000	6,080	226	6,306	9,694	-
Disability/Behavioral Health Program Administration	5,949	1,210	346	1,556	4,393	-
Community Health	19,898	11,136	367	11,503	8,395	-
Total DHS Federal Projects Fund	<u>\$ 42,322</u>	<u>\$ 18,462</u>	<u>\$ 939</u>	<u>\$ 19,401</u>	<u>\$ 22,921</u>	<u>\$ -</u>

(Continued)

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STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2006
FOURTEEN MONTHS ENDED AUGUST 31, 2006
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2006	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2006
Multiple Sclerosis Assistance Fund - 0604:						
Rehabilitation Service Bureaus	\$ 300	\$ 127	\$ 50	\$ 177	\$ 123	\$ -
Total Multiple Sclerosis Assistance Fund	<u>\$ 300</u>	<u>\$ 127</u>	<u>\$ 50</u>	<u>\$ 177</u>	<u>\$ 123</u>	<u>\$ -</u>
State Projects Fund - 0642:						
Community Health	\$ 2,729	\$ 1,187	\$ 50	\$ 1,237	\$ 1,492	\$ -
Total State Projects Fund	<u>\$ 2,729</u>	<u>\$ 1,187</u>	<u>\$ 50</u>	<u>\$ 1,237</u>	<u>\$ 1,492</u>	<u>\$ -</u>
Alcoholism and Substance Abuse Fund - 0646:						
Addiction Prevention	\$ 6,009	\$ 3,046	\$ 327	\$ 3,373	\$ 2,636	\$ -
Addiction Treatment	22,103	9,949	5,007	14,956	7,147	-
Total Alcoholism and Substance Abuse Fund	<u>\$ 28,112</u>	<u>\$ 12,995</u>	<u>\$ 5,334</u>	<u>\$ 18,329</u>	<u>\$ 9,783</u>	<u>\$ -</u>
DHS Private Resources Fund - 0690:						
Administrative and Program Support	\$ 150	\$ 2	\$ -	\$ 2	\$ 148	\$ -
Total DHS Private Resources Fund	<u>\$ 150</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 148</u>	<u>\$ -</u>
U.S.D.A. Women, Infants and Children Fund - 0700:						
Administrative and Program Support	\$ 559	\$ 325	\$ 34	\$ 359	\$ 200	\$ -
Management Information Service	1,217	622	160	782	435	-
Community Health	277,393	233,059	22,964	256,023	21,370	-
Total U.S.D.A. Women, Infants and Children Fund	<u>\$ 279,169</u>	<u>\$ 234,006</u>	<u>\$ 23,158</u>	<u>\$ 257,164</u>	<u>\$ 22,005</u>	<u>\$ -</u>
Community Mental Health Medicaid Trust Fund - 0718:						
Mental Health Grants-in-aid and Purchase of Care	\$ 95,690	\$ 73,816	\$ 1,426	\$ 75,242	\$ 20,448	\$ -
Total Community Mental Health Medicaid Trust Fund	<u>\$ 95,690</u>	<u>\$ 73,816</u>	<u>\$ 1,426</u>	<u>\$ 75,242</u>	<u>\$ 20,448</u>	<u>\$ -</u>
Tobacco Settlement Recovery Fund - 0733:						
Community Health	\$ 2,250	\$ 2,190	\$ 49	\$ 2,239	\$ 11	\$ -
Total Tobacco Settlement Recovery Fund	<u>\$ 2,250</u>	<u>\$ 2,190</u>	<u>\$ 49</u>	<u>\$ 2,239</u>	<u>\$ 11</u>	<u>\$ -</u>

(Continued)

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STATE OF ILLINOIS
 DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 APPROPRIATIONS FOR FISCAL YEAR 2006
 FOURTEEN MONTHS ENDED AUGUST 31, 2006
 (expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2006	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2006
Local Initiative Fund - 0762:						
Administrative and Program Support	\$ 64	\$ 64	\$ -	\$ 64	\$ -	\$ -
Employment and Social Service Program	22,328	19,524	2,390	21,914	414	-
Total Local Initiative Fund	<u>\$ 22,392</u>	<u>\$ 19,588</u>	<u>\$ 2,390</u>	<u>\$ 21,978</u>	<u>\$ 414</u>	<u>\$ -</u>
Rehabilitation Services Elementary and Secondary Education Act Fund -0798:						
Disability/Behavioral Health Program Administration	\$ 1,350	\$ 472	\$ 118	\$ 590	\$ 760	\$ -
Total Rehabilitation Services Elementary and Secondary Education Act Fund	<u>\$ 1,350</u>	<u>\$ 472</u>	<u>\$ 118</u>	<u>\$ 590</u>	<u>\$ 760</u>	<u>\$ -</u>
Domestic Violence Shelter and Service Fund - 0865:						
Administrative and Program Support	\$ 49	\$ 49	\$ -	\$ 49	\$ -	\$ -
Community Health	952	395	71	466	486	-
Total Domestic Violence Shelter and Service Fund	<u>\$ 1,001</u>	<u>\$ 444</u>	<u>\$ 71</u>	<u>\$ 515</u>	<u>\$ 486</u>	<u>\$ -</u>
Maternal and Child Health Services Block Grant Fund - 0872:						
Administrative and Program Support	\$ 5	\$ -	\$ -	\$ -	\$ 5	\$ -
Management Information Service	236	226	7	233	3	-
Community Health	27,989	17,759	2,677	20,436	7,553	-
Total Maternal and Child Health Services Block Grant Fund	<u>\$ 28,230</u>	<u>\$ 17,985</u>	<u>\$ 2,684</u>	<u>\$ 20,669</u>	<u>\$ 7,561</u>	<u>\$ -</u>
Preventive Health and Health Services Block Grant Fund - 0873:						
Community Health	\$ 1,555	\$ 74	\$ 230	\$ 304	\$ 1,251	\$ -
Total Preventive Health and Health Services Block Grant Fund	<u>\$ 1,555</u>	<u>\$ 74</u>	<u>\$ 230</u>	<u>\$ 304</u>	<u>\$ 1,251</u>	<u>\$ -</u>
Community Mental Health Services Block Grant Fund - 0876:						
Administrative and Program Support	\$ 62	\$ 57	\$ 5	\$ 62	\$ -	\$ -
Mental Health Grants-in-aid and Purchase of Care	18,476	16,808	30	16,838	1,638	-
Total Community Mental Health Services Block Grant Fund	<u>\$ 18,538</u>	<u>\$ 16,865</u>	<u>\$ 35</u>	<u>\$ 16,900</u>	<u>\$ 1,638</u>	<u>\$ -</u>
Youth Drug Abuse Prevention Fund - 0910:						
Administrative and Program Support	\$ 30	\$ -	\$ -	\$ -	\$ 30	\$ -
Addiction Treatment	530	175	-	175	355	-
Total Youth Drug Abuse Prevention Fund	<u>\$ 560</u>	<u>\$ 175</u>	<u>\$ -</u>	<u>\$ 175</u>	<u>\$ 385</u>	<u>\$ -</u>

(Continued)

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STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2006
FOURTEEN MONTHS ENDED AUGUST 31, 2006
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2006	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2006
Juvenile Justice Trust Fund - 0911:						
Administrative and Program Support	\$ 7	\$ 7	\$ -	\$ 7	\$ -	\$ -
Juvenile Justice Program	13,399	3,659	335	3,994	9,405	-
Total Juvenile Justice Trust Fund	<u>\$ 13,406</u>	<u>\$ 3,666</u>	<u>\$ 335</u>	<u>\$ 4,001</u>	<u>\$ 9,405</u>	<u>\$ -</u>
DHS Recoveries Trust Fund - 0921:						
Administrative and Program Support	\$ 5,608	\$ 4,041	\$ 224	\$ 4,265	\$ 1,343	\$ -
Total DHS Recoveries Trust Fund	<u>\$ 5,608</u>	<u>\$ 4,041</u>	<u>\$ 224</u>	<u>\$ 4,265</u>	<u>\$ 1,343</u>	<u>\$ -</u>
Total Appropriated Funds	<u>\$ 4,667,483</u>	<u>\$ 4,028,617</u>	<u>\$ 250,248</u>	<u>\$ 4,278,865</u>	<u>\$ 378,179</u>	<u>\$ 10,439</u>
Non-Appropriated Funds						
Vocational Rehabilitation Fund - 0081:						
Administrative and Program Support		\$ 6	\$ -	\$ 6		
Total Vocational Rehabilitation Fund		<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 6</u>		
DHS Special Purposes Trust Fund - 0408:						
Employment and Social Service Program		\$ 5,282	\$ 2,329	\$ 7,611		
Total DHS Special Purposes Trust Fund		<u>\$ 5,282</u>	<u>\$ 2,329</u>	<u>\$ 7,611</u>		
Electronic Benefits Transfers Fund - 0540:						
Distributive Items		\$ 164,697	\$ -	\$ 164,697		
Total Electronic Benefits Transfers Fund		<u>\$ 164,697</u>	<u>\$ -</u>	<u>\$ 164,697</u>		

(Continued)

Note: All data on this schedule was obtained from Comptroller records which have been reconciled to those of the Department.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2006
FOURTEEN MONTHS ENDED AUGUST 31, 2006
(expressed in thousands)

	Appropriations (Net after Transfers)	Expenditures Through June 30, 2006	Lapse Period Expenditures July 1 to August 31	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2006
DHS Private Resources Fund - 0690:						
Administrative and Program Support		\$ 3	\$ -	\$ 3		
Mental Health Grants-in-aid and Purchase of Care		93	-	93		
Disability/Behavioral Health Program Administration		46	3	49		
Total DHS Private Resources Fund		<u>\$ 142</u>	<u>\$ 3</u>	<u>\$ 145</u>		
DHS Recoveries Trust Fund - 0921:						
Distributive Items		\$ 5,079	\$ 972	\$ 6,051		
Total DHS Recoveries Trust Fund		<u>\$ 5,079</u>	<u>\$ 972</u>	<u>\$ 6,051</u>		
Total Non-Appropriated Funds		<u>\$ 175,206</u>	<u>\$ 3,304</u>	<u>\$ 178,510</u>		
Total All Funds		<u>\$ 4,203,823</u>	<u>\$ 253,552</u>	<u>\$ 4,457,375</u>		

(Concluded)

Note: All data on this schedule was obtained from Comptroller records which have been reconciled to those of the Department.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FISCAL YEARS ENDED JUNE 30, 2007, 2006 AND 2005
(expressed in thousands)

	<u>2007</u>	<u>2006</u>	<u>2005</u>
	<u>PA 94-0798, PA 95-0144</u>	<u>PA 94-0015, PA 94-0798</u>	<u>PA 93-0842, 93-0681, 94-0015</u>
Appropriated Funds			
General Revenue Fund - 0001:			
Appropriations (net after transfers)	\$ 3,380,266	\$ 3,262,838	\$ 3,192,656
Expenditures:			
Distributive Items	717,010	766,319	585,737
Field Level Operations	-	-	223,416
Attorney General Representative	194	186	194
Training Personnel	-	-	1,569
Administrative and Program Support	90,196	86,658	45,936
Management Information Service	42,957	44,492	40,785
Disability Determination Services Bureau	2,312	1,814	1,920
Home Services Program	403,075	375,747	355,566
Mental Health Grants-in-aid and Purchase of Care	322,023	315,934	299,937
Inspector General	4,358	4,049	4,457
Developmental Disabilities Grants-in-aid and Purchase of Care	979,370	964,383	936,594
Addiction Prevention	7,619	5,260	5,268
Addiction Treatment	164,465	162,308	157,558
Lincoln Developmental Center	900	844	760
Rehabilitation Service Bureaus	17,477	16,241	17,403
Child Care Services	-	-	163,183
Disability/Behavioral Health Program Administration	34,476	25,716	34,328
Treatment/Detention Sexually Violent Persons	-	-	17,447
Community and Resident Services for Blind and Visually Impaired	1,713	1,368	1,564
Employment and Social Service Program	264,787	256,225	53,688
Juvenile Justice Program	318	331	386
Community Health	121,175	116,348	118,903
Community Youth Services	104,105	98,515	102,470
Total Expenditures	<u>3,278,530</u>	<u>3,242,738</u>	<u>3,169,069</u>
Lapsed Balances	<u>\$ 101,736</u>	<u>\$ 20,100</u>	<u>\$ 23,587</u>
Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund - 0013:			
Appropriations (net after transfers)	\$ 78,642	\$ 78,749	\$ 79,052
Expenditures:			
Administration and Program Support	205	219	-
Addiction Prevention	13,472	15,286	15,761
Addiction Treatment	54,319	54,361	47,189
Disability/Behavioral Health Program Administration	-	-	3,397
Total Expenditures	<u>67,996</u>	<u>69,866</u>	<u>66,347</u>
Lapsed Balances	<u>\$ 10,646</u>	<u>\$ 8,883</u>	<u>\$ 12,705</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FISCAL YEARS ENDED JUNE 30, 2007, 2006 AND 2005
(expressed in thousands)

	2007	2006	2005
Group Home Loan Revolving Fund - 0025:			
Appropriations (net after transfers)	\$ -	\$ -	\$ 100
Expenditures:			
Addiction Treatment	-	-	94
Total Expenditures	-	-	94
Lapsed Balances	\$ -	\$ -	\$ 6
Illinois Veterans' Rehabilitation Fund - 0036:			
Appropriations (net after transfers)	\$ 4,431	\$ 4,315	\$ 4,329
Expenditures:			
Rehabilitation Service Bureaus	4,286	4,063	4,064
Total Expenditures	4,286	4,063	4,064
Lapsed Balances	\$ 145	\$ 252	\$ 265
Mental Health Fund - 0050:			
Appropriations (net after transfers)	\$ 15,486	\$ 15,486	\$ 16,294
Expenditures:			
Administrative and Program Support	7	7	816
Management Information Service	645	434	643
Developmental Disabilities Grants-in-aid and Purchase of Care	9,966	9,962	9,585
Disability/Behavioral Health Program Administration	3,366	2,787	4,625
Total Expenditures	13,984	13,190	15,669
Lapsed Balances	\$ 1,502	\$ 2,296	\$ 625
Vocational Rehabilitation Fund - 0081:			
Appropriations (net after transfers)	\$ 155,405	\$ 151,622	\$ 145,614
Expenditures:			
Administrative and Program Support	14,617	13,331	8,361
Management Information Service	4,244	4,488	4,781
Rehabilitation Service Bureaus	81,312	81,263	90,117
Client Assistance Project	517	467	471
Disability/Behavioral Health Program Administration	798	724	803
Total Expenditures	101,488	100,273	104,533
Lapsed Balances	42,873	40,910	36,626
Balances Reappropriated	\$ 11,044	\$ 10,439	\$ 4,455
Assistance to the Homeless Fund - 0100:			
Appropriations (net after transfers)	\$ 300	\$ 300	\$ 300
Expenditures:			
Employment and Social Service Program	269	300	294
Total Expenditures	269	300	294
Lapsed Balances	\$ 31	\$ -	\$ 6

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FISCAL YEARS ENDED JUNE 30, 2007, 2006 AND 2005
(expressed in thousands)

	2007	2006	2005
Youth Alcoholism and Substance Abuse Prevention Fund - 0128:			
Appropriations (net after transfers)	\$ 1,200	\$ 1,200	\$ 1,200
Expenditures:			
Addiction Prevention	1,087	973	935
Disability/Behavioral Health Program Administration	-	-	150
Total Expenditures	<u>1,087</u>	<u>973</u>	<u>1,085</u>
Lapsed Balances	<u>\$ 113</u>	<u>\$ 227</u>	<u>\$ 115</u>
State Gaming Fund - 0129:			
Appropriations (net after transfers)	\$ 960	\$ 960	\$ 960
Expenditures:			
Addiction Treatment	817	684	910
Total Expenditures	<u>817</u>	<u>684</u>	<u>910</u>
Lapsed Balances	<u>\$ 143</u>	<u>\$ 276</u>	<u>\$ 50</u>
Mental Health Transportation Fund - 0134			
Appropriations (net after transfers)	\$ 1,200	\$ -	\$ -
Expenditures:			
Mental Health Grants-in-aid and Purchase of Care	827	-	-
Total Expenditures	<u>827</u>	<u>-</u>	<u>-</u>
Lapsed Balances	<u>\$ 373</u>	<u>\$ -</u>	<u>\$ -</u>
Community DD Services Medicaid Trust Fund - 0142:			
Appropriations (net after transfers)	\$ 5,000	\$ 5,000	\$ -
Expenditures:			
Developmental Disabilities Grants-in-aid and Purchase of Care	4,999	2,940	-
Total Expenditures	<u>4,999</u>	<u>2,940</u>	<u>-</u>
Lapsed Balances	<u>\$ 1</u>	<u>\$ 2,060</u>	<u>\$ -</u>
Diabetes Research Check-off Fund - 0198:			
Appropriations (net after transfers)	\$ 100	\$ -	\$ -
Expenditures:			
Community Health	100	-	-
Total Expenditures	<u>100</u>	<u>-</u>	<u>-</u>
Lapsed Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Autism Research Check-off Fund - 0228:			
Appropriations (net of transfers)	\$ 100	\$ -	\$ -
Expenditures	-	-	-
Lapsed Balances	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>
Drunk and Drugged Driving Prevention Fund - 0276:			
Appropriations (net after transfers)	\$ 3,083	\$ 3,083	\$ 3,083
Expenditures:			
Addiction Treatment	1,834	1,648	1,882
Total Expenditures	<u>1,834</u>	<u>1,648</u>	<u>1,882</u>
Lapsed Balances	<u>\$ 1,249</u>	<u>\$ 1,435</u>	<u>\$ 1,201</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FISCAL YEARS ENDED JUNE 30, 2007, 2006 AND 2005
(expressed in thousands)

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Illinois Affordable Housing Trust Fund - 0286			
Appropriations (net of transfers)	\$ 12,300	\$ -	\$ -
Expenditures:			
Developmental Disabilities Grants-in-aid and Purchase of Care	1,299	-	-
Employment and Social Service Program	10,993	-	-
Total Expenditures	<u>12,292</u>	<u>-</u>	<u>-</u>
Lapsed Balances	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ -</u>
Community MH/DD Services Provider Participation Fee Fund - 0325:			
Appropriations (net after transfers)	\$ -	\$ 500	\$ 500
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Lapsed Balances	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 500</u>
Federal National Community Services Fund - 0343:			
Appropriations (net after transfers)	\$ 13,001	\$ 13,000	\$ 12,970
Expenditures:			
Administrative and Program Support	31	29	-
Community Health	7,440	6,320	5,018
Total Expenditures	<u>7,471</u>	<u>6,349</u>	<u>5,018</u>
Lapsed Balances	<u>\$ 5,530</u>	<u>\$ 6,651</u>	<u>\$ 7,952</u>
Care Provider for Persons with Developmental Disabilities Fund - 0344:			
Appropriations (net after transfers)	\$ 40,000	\$ 40,000	\$ 36,000
Expenditures:			
Developmental Disabilities Grants-in-aid and Purchase of Care	40,000	39,883	35,981
Total Expenditures	<u>40,000</u>	<u>39,883</u>	<u>35,981</u>
Lapsed Balances	<u>\$ -</u>	<u>\$ 117</u>	<u>\$ 19</u>
Employment and Training Fund - 0347:			
Appropriations (net after transfers)	\$ 105,955	\$ 105,955	\$ 84,455
Expenditures:			
Employment and Social Service Program	10,046	5,084	20,878
Total Expenditures	<u>10,046</u>	<u>5,084</u>	<u>20,878</u>
Lapsed Balances	<u>\$ 95,909</u>	<u>\$ 100,871</u>	<u>\$ 63,577</u>
Health and Human Services Medicaid Trust Fund - 0365:			
Appropriations (net after transfers)	\$ 15,000	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Lapsed Balances	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FISCAL YEARS ENDED JUNE 30, 2007, 2006 AND 2005
(expressed in thousands)

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Drug Treatment Fund - 0368:			
Appropriations (net after transfers)	\$ 5,005	\$ 5,005	\$ 5,005
Expenditures:			
Addiction Treatment	3,579	3,562	5,000
Total Expenditures	<u>3,579</u>	<u>3,562</u>	<u>5,000</u>
Lapsed Balances	<u>\$ 1,426</u>	<u>\$ 1,443</u>	<u>\$ 5</u>
Sexual Assault Services Fund - 0389:			
Appropriations (net after transfers)	\$ 100	\$ 100	\$ 100
Expenditures:			
Community Health	24	24	24
Total Expenditures	<u>24</u>	<u>24</u>	<u>24</u>
Lapsed Balances	<u>\$ 76</u>	<u>\$ 76</u>	<u>\$ 76</u>
DHS Special Purposes Trust Fund - 0408:			
Appropriations (net after transfers)	\$ 204,328	\$ 220,054	\$ 219,485
Expenditures:			
Administrative and Program Support	507	392	-
Disability Determination Services Bureau	516	509	524
Child Care Services	-	-	129,209
Refugee Social Service Program	-	-	5,599
Employment and Social Service Program	152,820	152,011	11,928
Community Health	8,263	8,395	7,908
Community Youth Services	3,663	3,648	3,641
Total Expenditures	<u>165,769</u>	<u>164,955</u>	<u>158,809</u>
Lapsed Balances	<u>\$ 38,559</u>	<u>\$ 55,099</u>	<u>\$ 60,676</u>
DHS/State Projects Fund - 0448:			
Appropriations (net after transfers)	\$ -	\$ 15	\$ 15
Expenditures	-	-	-
Lapsed Balances	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 15</u>
Old Age Survivors Insurance Fund - 0495:			
Appropriations (net after transfers)	\$ 80,431	\$ 80,561	\$ 78,441
Expenditures:			
Administrative and Program Support	2,745	2,740	-
Disability Determination Services Bureau	56,688	56,525	61,790
Total Expenditures	<u>59,433</u>	<u>59,265</u>	<u>61,790</u>
Lapsed Balances	<u>\$ 20,998</u>	<u>\$ 21,296</u>	<u>\$ 16,651</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FISCAL YEARS ENDED JUNE 30, 2007, 2006 AND 2005
(expressed in thousands)

	2007	2006	2005
Early Intervention Services Revolving Fund - 0502:			
Appropriations (net after transfers)	\$ 135,281	\$ 135,278	\$ 135,014
Expenditures:			
Administrative and Program Support	275	217	96
Community Youth Services	127,625	119,626	126,287
Total Expenditures	<u>127,900</u>	<u>119,843</u>	<u>126,383</u>
Lapsed Balances	<u>7,381</u>	<u>15,435</u>	<u>3,463</u>
Balances Reappropriated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,168</u>
Domestic Violence Abuser Services Fund - 0528:			
Appropriations (net after transfers)	\$ 100	\$ 100	\$ 100
Expenditures:			
Community Health	18	37	-
Lapsed Balances	<u>\$ 82</u>	<u>\$ 63</u>	<u>\$ 100</u>
American Diabetes Association Fund - 0531:			
Appropriations (net after transfers)	\$ -	\$ -	\$ 74
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Lapsed Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74</u>
Children's Cancer Fund - 0533:			
Appropriations (net after transfers)	\$ -	\$ -	\$ 3
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Lapsed Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>
DHS Federal Projects Fund - 0592:			
Appropriations (net after transfers)	\$ 42,307	\$ 42,322	\$ 42,378
Expenditures:			
Administrative and Program Support	-	36	324
Mental Health Grants-in-aid and Purchase of Care	6,756	6,306	5,370
Disability/Behavioral Health Program Administration	1,775	1,556	837
Community Health	11,671	11,503	11,718
Total Expenditures	<u>20,202</u>	<u>19,401</u>	<u>18,249</u>
Lapsed Balances	<u>\$ 22,105</u>	<u>\$ 22,921</u>	<u>\$ 24,129</u>
Multiple Sclerosis Assistance Fund - 0604:			
Appropriations (net after transfers)	\$ 300	\$ 300	\$ 300
Expenditures:			
Rehabilitation Service Bureaus	152	177	163
Total Expenditures	<u>152</u>	<u>177</u>	<u>163</u>
Lapsed Balances	<u>\$ 148</u>	<u>\$ 123</u>	<u>\$ 137</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FISCAL YEARS ENDED JUNE 30, 2007, 2006 AND 2005
(expressed in thousands)

	2007	2006	2005
State Projects Fund - 0642:			
Appropriations (net after transfers)	\$ 2,729	\$ 2,729	\$ 2,729
Expenditures:			
Community Health	1,776	1,237	1,355
Total Expenditures	<u>1,776</u>	<u>1,237</u>	<u>1,355</u>
Lapsed Balances	<u>\$ 953</u>	<u>\$ 1,492</u>	<u>\$ 1,374</u>
Alcoholism and Substance Abuse Fund - 0646:			
Appropriations (net after transfers)	\$ 28,112	\$ 28,112	\$ 28,112
Expenditures:			
Addiction Prevention	3,145	3,373	2,147
Addiction Treatment	15,476	14,956	5,660
Total Expenditures	<u>18,621</u>	<u>18,329</u>	<u>7,807</u>
Lapsed Balances	<u>\$ 9,491</u>	<u>\$ 9,783</u>	<u>\$ 20,305</u>
DHS Private Resources Fund - 0690:			
Appropriations (net after transfers)	\$ 150	\$ 150	\$ 150
Expenditures:			
Administrative and Program Support	-	2	11
Total Expenditures	<u>-</u>	<u>2</u>	<u>11</u>
Lapsed Balances	<u>\$ 150</u>	<u>\$ 148</u>	<u>\$ 139</u>
U.S.D.A. Woman, Infants and Children Fund - 0700:			
Appropriations (net after transfers)	\$ 279,346	\$ 279,169	\$ 279,886
Expenditures:			
Administrative and Program Support	354	359	147
Management Information Service	663	782	720
Community Health	259,692	256,023	253,748
Total Expenditures	<u>260,709</u>	<u>257,164</u>	<u>254,615</u>
Lapsed Balances	<u>\$ 18,637</u>	<u>\$ 22,005</u>	<u>\$ 25,271</u>
Community Mental Health Medicaid Trust Fund - 0718:			
Appropriations (net after transfers)	\$ 95,690	\$ 95,690	\$ 95,690
Expenditures:			
Mental Health Grants-in-aid and Purchase of Care	84,204	75,242	72,403
Total Expenditures	<u>84,204</u>	<u>75,242</u>	<u>72,403</u>
Lapsed Balances	<u>\$ 11,486</u>	<u>\$ 20,448</u>	<u>\$ 23,287</u>
Tobacco Settlement Recovery Fund - 0733:			
Appropriations (net after transfers)	\$ 2,750	\$ 2,250	\$ 2,250
Expenditures:			
Community Health	2,712	2,239	2,213
Total Expenditures	<u>2,712</u>	<u>2,239</u>	<u>2,213</u>
Lapsed Balances	<u>\$ 38</u>	<u>\$ 11</u>	<u>\$ 37</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FISCAL YEARS ENDED JUNE 30, 2007, 2006 AND 2005
(expressed in thousands)

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Local Initiative Fund - 0762:			
Appropriations (net after transfers)	\$ 22,430	\$ 22,392	\$ 22,322
Expenditures:			
Administrative and Program Support	102	64	-
Employment and Social Service Program	20,724	21,914	21,461
Total Expenditures	<u>20,826</u>	<u>21,978</u>	<u>21,461</u>
Lapsed Balances	<u>\$ 1,604</u>	<u>\$ 414</u>	<u>\$ 861</u>
Rehabilitation Services Elementary and Secondary Education Act Fund - 0798:			
Appropriations (net after transfers)	\$ 1,350	\$ 1,350	\$ 1,350
Expenditures:			
Disability/Behavioral Health Program Administration	588	590	732
Total Expenditures	<u>588</u>	<u>590</u>	<u>732</u>
Lapsed Balances	<u>\$ 762</u>	<u>\$ 760</u>	<u>\$ 618</u>
Domestic Violence Shelter and Service Fund - 0865:			
Appropriations (net after transfers)	\$ 1,005	\$ 1,001	\$ 952
Expenditures:			
Administrative and Program Support	53	49	-
Community Health	671	466	916
Total Expenditures	<u>724</u>	<u>515</u>	<u>916</u>
Lapsed Balances	<u>\$ 281</u>	<u>\$ 486</u>	<u>\$ 36</u>
Maternal and Child Health Services Block Grant Fund - 0872:			
Appropriations (net after transfers)	\$ 28,230	\$ 28,230	\$ 28,227
Expenditures:			
Management Information Service	224	233	-
Community Health	19,861	20,436	20,837
Total Expenditures	<u>20,085</u>	<u>20,669</u>	<u>20,837</u>
Lapsed Balances	<u>\$ 8,145</u>	<u>\$ 7,561</u>	<u>\$ 7,390</u>
Preventive Health and Health Services Block Grant Fund - 0873:			
Appropriations (net after transfers)	\$ 1,555	\$ 1,555	\$ 1,555
Expenditures:			
Community Health	304	304	304
Total Expenditures	<u>304</u>	<u>304</u>	<u>304</u>
Lapsed Balances	<u>\$ 1,251</u>	<u>\$ 1,251</u>	<u>\$ 1,251</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FISCAL YEARS ENDED JUNE 30, 2007, 2006 AND 2005
(expressed in thousands)

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Community Mental Health Services Block Grant Fund - 0876:			
Appropriations (net after transfers)	\$ 18,550	\$ 18,538	\$ 18,489
Expenditures:			
Administrative and Program Support	65	62	-
Mental Health Grants-in-aid and Purchase of Care	16,076	16,838	16,110
Disability/Behavioral Health Program Administration	-	-	877
Total Expenditures	<u>16,141</u>	<u>16,900</u>	<u>16,987</u>
Lapsed Balances	<u>\$ 2,409</u>	<u>\$ 1,638</u>	<u>\$ 1,502</u>
Youth Drug Abuse Prevention Fund - 0910:			
Appropriations (net after transfers)	\$ 560	\$ 560	\$ 560
Expenditures:			
Addiction Treatment	430	175	478
Total Expenditures	<u>430</u>	<u>175</u>	<u>478</u>
Lapsed Balances	<u>\$ 130</u>	<u>\$ 385</u>	<u>\$ 82</u>
Juvenile Justice Trust Fund - 0911:			
Appropriations (net after transfers)	\$ 13,440	\$ 13,406	\$ 13,416
Expenditures:			
Administrative and Program Support	7	7	-
Juvenile Justice Program	2,554	3,994	7,749
Total Expenditures	<u>2,561</u>	<u>4,001</u>	<u>7,749</u>
Lapsed Balances	<u>\$ 10,879</u>	<u>\$ 9,405</u>	<u>\$ 5,667</u>
DHS Recoveries Trust Fund - 0921:			
Appropriations (net after transfers)	\$ 5,893	\$ 5,608	\$ 5,519
Expenditures:			
Administrative and Program Support	4,204	4,265	4,045
Total Expenditures	<u>4,204</u>	<u>4,265</u>	<u>4,045</u>
Lapsed Balances	<u>\$ 1,689</u>	<u>\$ 1,343</u>	<u>\$ 1,474</u>
All Appropriated Funds			
Total Appropriations (net after transfers)	\$ 4,802,071	\$ 4,667,483	\$ 4,559,635
Total Expenditures	4,356,988	4,278,865	4,208,155
Total Lapsed Balances	<u>434,039</u>	<u>378,179</u>	<u>341,857</u>
Total Balances Reappropriated	<u>\$ 11,044</u>	<u>\$ 10,439</u>	<u>\$ 9,623</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FISCAL YEARS ENDED JUNE 30, 2007, 2006 AND 2005
(expressed in thousands)

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Non-Appropriated Funds			
Vocational Rehabilitation Fund - 0081:			
Expenditures:			
Administrative and Program Support	\$ 91	\$ 6	\$ -
Total Expenditures	<u>\$ 91</u>	<u>\$ 6</u>	<u>\$ -</u>
Hansen-Therkelsen Memorial Deaf Student College Fund - 0123:			
Expenditures:			
School For The Deaf	\$ 3	\$ -	\$ -
Total Expenditures	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ -</u>
DHS Special Purposes Trust Fund - 0408:			
Expenditures:			
Employment and Social Service Program	\$ 8,085	\$ 7,611	\$ 6,497
Total Expenditures	<u>\$ 8,085</u>	<u>\$ 7,611</u>	<u>\$ 6,497</u>
Electronic Benefits Transfers Fund - 0540:			
Expenditures:			
Distributive Items	\$ 147,135	\$ 164,697	\$ 164,945
Total Expenditures	<u>\$ 147,135</u>	<u>\$ 164,697</u>	<u>\$ 164,945</u>
State Projects Fund - 0642:			
Expenditures:			
Rehabilitation Service Bureaus	\$ 491	\$ -	\$ -
Total Expenditures	<u>\$ 491</u>	<u>\$ -</u>	<u>\$ -</u>
DHS Private Resources Fund - 0690:			
Expenditures:			
Administrative and Program Support	\$ 1	\$ 3	\$ 1
Mental Health Grants-in-aid and Purchase of Care	94	93	93
Disability/Behavioral Health Program Administration	22	49	-
Community Health	22	-	21
Total Expenditures	<u>\$ 139</u>	<u>\$ 145</u>	<u>\$ 115</u>
DHS Recoveries Trust Fund - 0921:			
Expenditures:			
Distributive Items	\$ 5,139	\$ 6,051	\$ 7,165
Total Expenditures	<u>\$ 5,139</u>	<u>\$ 6,051</u>	<u>\$ 7,165</u>
All Non-Appropriated Funds			
Total Expenditures	<u>\$ 161,083</u>	<u>\$ 178,510</u>	<u>\$ 178,722</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FISCAL YEARS ENDED JUNE 30, 2007, 2006 AND 2005
(expressed in thousands)

	<u>2007</u>	<u>2006</u>	<u>2005</u>
All Funds			
Total Appropriations (net after transfers)	\$ 4,802,071	\$ 4,667,483	\$ 4,559,635
Total Expenditures	4,518,071	4,457,375	4,386,877
Total Lapsed Balances	434,039	378,179	341,857
Total Balances Reappropriated	11,044	10,439	9,623
State Officers' Salaries			
Expenditures			
Secretary	\$ 133,960	\$ 127,773	\$ 127,600
Assistant Secretaries	215,655	212,995	206,006
Total Expenditures	<u>\$ 349,615</u>	<u>\$ 340,768</u>	<u>\$ 333,606</u>

(Concluded)

All data on this schedule was obtained from Comptroller records which have been reconciled to those of the Department.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
COMPARATIVE SCHEDULE OF EXPENDITURES
BY MAJOR OBJECT CODE
FISCAL YEARS ENDED JUNE 30, 2007, 2006 AND 2005
(expressed in thousands)

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Expenditures:			
Personal Services	\$ 296,827	\$ 281,712	\$ 291,913
Employee Retirement - Contributions Paid by Employer	2	1,995	1,695
Retirement	34,208	21,949	46,038
State Contributions for Social Security	21,848	20,709	21,022
Employer Contributions for Group Insurance	16,109	17,009	16,650
Contractual Services	120,649	120,713	65,459
Travel	3,564	3,384	3,223
Commodities	23,509	21,803	19,538
Printing	1,546	1,204	1,409
Equipment	2,140	1,711	2,525
EDP	2,559	2,456	2,507
Telecommunications	10,165	10,873	11,687
Operation of Automotive Equipment	364	257	293
Lump Sums and Other Purposes	6,253	5,301	24,794
Lump Sum Operations	14,047	14,165	12,033
Interfund Cash Transfers	3,480	3,479	3,479
Awards and Grants	1,781,250	1,874,210	1,831,783
Awards, Benefits and Treatment Expenses, Injured Employees	-	-	988
Tort Claims	283	3,745	4,448
Funeral and Burial Expenses, Payments to Vendors	10,159	10,927	11,424
Medical Preparation and Food Supplies for Free Distribution	187,732	185,545	180,801
Grants to Other State Agencies	13,923	13,123	13,110
Awards and Grants, Lump Sums and Other Purposes	1,960,484	1,835,719	1,814,974
Permanent Improvements, Lump Sums and Other Purposes	1,837	1,846	640
Other Refunds	1,875	257	346
Refunds of Federal and Other Grants	3,258	3,283	4,098
Total Expenditures	<u>\$ 4,518,071</u>	<u>\$ 4,457,375</u>	<u>\$ 4,386,877</u>

Note 1: Expenditures are classified according to major object codes listed in the Statewide Accounting Management System ("SAMS") manual and include appropriated and non-appropriated funds.

Note 2: All data on this schedule was obtained from Comptroller records which have been reconciled to those of the Department.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES - CENTRAL OFFICE
SCHEDULE OF CHANGES IN STATE PROPERTY
Fiscal Years Ended June 30, 2007 and 2006

Net Beginning Balance, July 1, 2005	\$ 103,977,586 *
Additions	5,667,525
Deletions	(1,717,994)
Net transfers-in (out)	<u>(10,347,362)</u>
Ending Balance, June 30, 2006	<u><u>\$ 97,579,755</u></u>
Beginning Balance, July 1, 2006	\$ 97,579,755
Additions	4,397,096
Deletions	(1,908,239)
Net transfers-in (out)	<u>(7,551,597)</u>
Ending Balance, June 30, 2007	<u><u>\$ 92,517,015</u></u>

Note: The information shown on the schedule only includes fixed assets for the Central Office. The property and equipment for the Centers, ORS Schools and the Treatment and Detention Facility were examined by and reported on by other auditors.

* The beginning balance at July 1, 2005 has been restated to exclude property at the Treatment and Detention Facility totaling \$10,427,977 that was previously included in the Central Office totals. The Treatment and Detention Facility property transactions are now excluded from the Central Office.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FISCAL YEARS ENDED JUNE 30, 2007, 2006, AND 2005
(expressed in thousands)

	2007	2006	2005
General Revenue Fund - 0001			
Miscellaneous collections from facilities/General Office	\$ 352	\$ 329	\$ 308
Grantee income-program income, Emergency Revolving Fund interest, petty cash, and miscellaneous	558	159	170
Federal - U.S. Dept. of HHS - Refugee Entrants Program	2,354	2,556	2,848
Food stamps	87,985	84,575	66,037
Vocational Rehabilitation Fund	26	2	-
TANF	467,204	464,261	482,081
Non-medical	29	-	2
Original and renewal license fees	86	91	41
Chicago general assistance	7,653	8,321	16,451
Child Care Development Block Grant	60,082	76,391	72,406
Refugee Entrants Program	6	6	5
Indirect Cost Reimbursements	1,136	848	1,761
Total General Revenue Fund	<u>627,471</u>	<u>637,539</u>	<u>642,110</u>
Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund - 0013			
Loan Repayment	-	1	-
Federal - U.S. Dept. of Health and Human Services	57,527	66,919	61,341
Returned Petty Cash Funds	1	-	-
Total Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund	<u>57,528</u>	<u>66,920</u>	<u>61,341</u>
Illinois Veterans' Rehabilitation Fund - 0036			
Vocational Rehabilitation Fund	<u>5</u>	<u>1</u>	<u>-</u>
Mental Health Fund - 0050			
Patient care reimbursements and miscellaneous collections	28,861	26,149	22,293
Other agencies and local units	658	351	295
Other States and agencies	5	49	35
Total Mental Health Fund	<u>29,524</u>	<u>26,549</u>	<u>22,623</u>
Vocational Rehabilitation Fund - 0081			
Randolph Sheppard vendors	174	213	180
Federal - U.S. Dept. of Education	90,052	98,915	98,766
Federal - U.S. Dept. of Health and Human Services	2,587	3,184	4,104
Grantee income - jury duty and recoveries, repayments due to law	11	14	14
Indirect cost reimbursements from federal government	4,312	6,647	5,384
Repayment due to final audits	548	97	6
Total Vocational Rehabilitation Fund	<u>97,684</u>	<u>109,070</u>	<u>108,454</u>
Hansen-Therkelsen Memorial Deaf Student College Fund - 0123			
Loan repayments	<u>10</u>	<u>5</u>	<u>2</u>
Mental Health Transportation Fund - 0134			
Sale of land and structures	<u>-</u>	<u>1,200</u>	<u>-</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FISCAL YEARS ENDED JUNE 30, 2007, 2006, AND 2005
(expressed in thousands)

	<u>2007</u>	<u>2006</u>	<u>2005</u>
DCFS Children's Services Fund - 0220			
Federal - TANF grant	\$ 68,800	\$ 68,800	\$ 68,800
Income Tax Refund Fund - 0278			
Federal - TANF grant	14,051	15,434	14,760
Federal National Community Services Fund - 0343			
Federal - U.S. Dept. of Health and Human Services	1,465	-	-
National Community Services	5,374	5,682	5,953
Total Federal National Community Services Fund	6,839	5,682	5,953
Employment and Training Fund - 0347			
Federal - U.S. Dept. of Health and Human Services	-	26	122
Federal - TANF grant	11,295	5,174	19,417
Mathematica Policy Research	9	9	9
Total Employment and Training Fund	11,304	5,209	19,548
Gaining Early Awareness and Readiness for Undergraduate Programs Fund - 0394			
Federal - U.S. Dept. of Education	3,325	-	-
DHS Special Purposes Trust Fund - 0408			
Federal - U.S. Dept. of Health and Human Services	217	268	406
Federal - U.S. Dept. of Labor	-	-	300
Federal - U.S. Dept. of Agriculture - multiple grants	15,947	13,073	22,435
Federal from other State Agencies	-	-	147
State Board of Education	100	-	669
Family violence	2,805	2,857	1,801
Refugee entrants	4,187	5,177	5,389
Child care	149,859	127,655	123,477
Migrant Head Start	2,825	2,734	2,684
Private organizations	3	-	4
Repayment pursuant to law	1	-	-
Total Special Purposes Trust Fund	175,944	151,764	157,312
Public Assistance Recoveries Trust Fund - 0421			
Recipient collections - excess assistance	1	-	-
Old Age Survivors Insurance Fund - 0495			
Federal - U.S. Dept. of Health and Human Services	58,596	60,972	60,665
Early Intervention Services Revolving Fund - 0502			
General Revenue Fund	61,041	58,041	61,192
State Board of Education	25	-	62
Federal - U.S. Department of Education	30,242	36,972	25,119
Parent fees	3,655	3,829	3,492
Miscellaneous	6	2	-
Public Aid	32	66	-
Federal via other fund	-	-	80
Total Early Intervention Services Revolving Fund	95,001	98,910	89,945

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FISCAL YEARS ENDED JUNE 30, 2007, 2006, AND 2005
(expressed in thousands)

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Electronic Benefits Transfers Fund - 0540			
AABD	\$ 27,005	\$ 25,594	\$ 25,291
TANF	111,596	122,113	122,958
Employability development services	2,521	4,047	3,746
Transitional assistance	11,057	9,147	9,115
Refugee entrants	604	729	612
Employment and training	2,127	3,067	3,223
Total Electronic Benefits Transfers Fund	<u>154,910</u>	<u>164,697</u>	<u>164,945</u>
DHS Federal Projects Fund - 0592			
Federal - U.S. Dept. of Health and Human Services	18,421	18,115	17,551
Federal - U.S. Dept. of Justice	442	79	-
Federal - U.S. Dept. of Commerce	-	-	55
Federal - U.S. Dept. of Education	475	188	25
Federal - U.S. FEMA	-	284	54
Federal - U.S. Dept. of Labor	-	-	94
Federal - Social Security Administration	800	325	886
Federal Monies via ICJIA	50	200	-
State Board of Education	29	-	62
School district property sales	-	-	32
Federal monies from other States	-	20	20
Grantee Interest Income	-	1	-
Total DHS Federal Projects Fund	<u>20,217</u>	<u>19,212</u>	<u>18,779</u>
State Projects Fund - 0642			
Illinois Department of Children and Family Services	1,351	1,321	1,321
Illinois Department of Healthcare and Family Services	297	-	-
Illinois Housing Development Authority	2,000	-	-
Medical Special Purpose Trust	209	-	-
Total State Projects Fund	<u>3,857</u>	<u>1,321</u>	<u>1,321</u>
Alcoholism and Substance Abuse Fund - 0646			
Federal - U.S. Dept. of Education	2,135	2,268	1,939
Federal - U.S. Dept. of Health and Human Services	18,561	12,315	5,740
Federal - U.S. Dept. of Justice	626	573	-
State Board of Education	-	20	-
Illinois Department of Revenue	20	17	-
Private organizations	135	202	67
Total Alcoholism and Substance Abuse Fund	<u>21,477</u>	<u>15,395</u>	<u>7,746</u>
DHS Private Resources Fund - 0690			
Housing Development Authority	-	-	186
Solid Waste Management Fund	-	-	41
Local Illinois Government	-	5	-
Private organizations	189	62	49
Total DMH/DD Private Resources Fund	<u>189</u>	<u>67</u>	<u>276</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FISCAL YEARS ENDED JUNE 30, 2007, 2006, AND 2005
(expressed in thousands)

	<u>2007</u>	<u>2006</u>	<u>2005</u>
U.S.D.A. Women, Infants and Children Fund - 0700			
Federal - U.S. Dept. of Agriculture	\$ 200,290	\$ 178,466	\$ 181,399
WIC program income and fees	35	10	21
WIC program vendors	2	-	26
Infant formula rebates	68,174	67,190	66,101
Total U.S.D.A. Women, Infants, and Children Fund	<u>268,501</u>	<u>245,666</u>	<u>247,547</u>
Rehabilitation Services Elementary and Secondary Education Act Fund - 0798			
Federal - U.S. Dept. of Agriculture	148	171	-
Federal - U.S. Dept. of Education	409	309	575
Federal property sales/school districts	51	42	70
DHS Federal Projects	-	-	3
State Board of Education	75	83	49
Total Rehabilitation Services Elementary and Secondary Education Act Fund	<u>683</u>	<u>605</u>	<u>697</u>
Maternal and Child Health Services Block Grant Fund - 0872			
Federal - U.S. Dept. of Health and Human Services Block Grant	<u>19,978</u>	<u>21,521</u>	<u>21,602</u>
Preventive Health and Health Services Block Grant Fund - 0873			
Federal - U.S. Dept. of Health and Human Services Block Grant	<u>491</u>	<u>304</u>	<u>157</u>
Community Mental Health Services Block Grant Fund - 0876			
Federal - U.S. Dept. of Health and Human Services Block Grant	<u>15,979</u>	<u>17,098</u>	<u>17,095</u>
Youth Drug Abuse Prevention Fund - 0910			
Fines, penalties and violations	<u>419</u>	<u>444</u>	<u>421</u>
Juvenile Justice Trust Fund - 0911			
Federal - U.S. Dept. of Justice	2,688	4,058	8,153
State offset claims	28	-	-
Total Juvenile Justice Trust Fund	<u>2,716</u>	<u>4,058</u>	<u>8,153</u>
DHS Recoveries Trust Fund - 0921			
IRS collections non-public assistance clients	2,861	2,614	3,106
Earnfare employment/training	10	14	21
Recipient collection - administrative support	613	669	710
Recipient collection - excess assistance	4,842	5,169	5,854
Recipient collection - food stamp	1,522	1,400	1,432
Non-medical	635	518	430
SSI Interim Assistance	2,253	3,024	3,123
Total Public Assistance Recoveries Trust Fund	<u>12,736</u>	<u>13,408</u>	<u>14,676</u>
Social Services Block Grant Fund - 0935			
Federal - U.S. Dept. of Health and Human Services Title XX Block Grant	76,949	82,706	77,735
TANF	23,706	32,140	-
Total Social Services Block Grant Fund	<u>100,655</u>	<u>114,846</u>	<u>77,735</u>
TOTAL RECEIPTS PER DEPARTMENT RECORDS	<u>\$ 1,868,891</u>	<u>\$ 1,866,697</u>	<u>\$ 1,832,663</u>

(Concluded)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FISCAL YEARS ENDED JUNE 30, 2007 and 2006
(expressed in thousands)

	Fund 0001 General Revenue Fund	Fund 0013 Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund	Fund 0036 Illinois Veterans' Rehabilitation Fund	Fund 0050 Mental Health Fund	Fund 0081 Vocational Rehabilitation Fund
TOTAL 2007 RECEIPTS PER DEPARTMENT RECORDS	\$ 627,471	\$ 57,528	\$ 5	\$ 29,524	\$ 97,684
Deposits in transit, beginning of period	9	-	-	1,296	7
Deposits in transit, end of period	(52)	-	(5)	(1,870)	(33)
Adjustments to be made to Department records - miscellaneous	8,280	-	-	-	(20)
TOTAL 2007 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 635,708</u>	<u>\$ 57,528</u>	<u>\$ -</u>	<u>\$ 28,950</u>	<u>\$ 97,638</u>
TOTAL 2006 RECEIPTS PER DEPARTMENT RECORDS	\$ 637,539	\$ 66,920	\$ 1	\$ 26,549	\$ 109,070
Deposits in transit, beginning of period	39	-	-	1,401	-
Deposits in transit, end of period	(9)	-	-	(1,296)	(7)
Adjustments to be made to Department records - miscellaneous	3	-	-	(178)	(39)
TOTAL 2006 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 637,572</u>	<u>\$ 66,920</u>	<u>\$ 1</u>	<u>\$ 26,476</u>	<u>\$ 109,024</u>

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FISCAL YEARS ENDED JUNE 30, 2007 and 2006
(expressed in thousands)**

	Fund 0123 Hansen- Therkelson Memorial Deaf Student College Fund	Fund 0134 Mental Health Transportation Fund	Fund 0220 DCFS Children's Services Fund	Fund 0278 Income Tax Refund Fund	Fund 0343 Federal National Community Services Fund
TOTAL 2007 RECEIPTS PER DEPARTMENT RECORDS	\$ 10	\$ -	\$ 68,800	\$ 14,051	\$ 6,839
Deposits in transit, beginning of period	-	-	-	-	-
Deposits in transit, end of period	-	-	-	-	-
Adjustments to be made to Department records - miscellaneous	-	-	-	-	-
TOTAL 2007 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 68,800</u>	<u>\$ 14,051</u>	<u>\$ 6,839</u>
TOTAL 2006 RECEIPTS PER DEPARTMENT RECORDS	\$ 5	\$ 1,200	\$ 68,800	\$ 15,434	\$ 5,682
Deposits in transit, beginning of period	-	-	-	-	-
Deposits in transit, end of period	-	-	-	-	-
Adjustments to be made to Department records - miscellaneous	-	-	-	-	-
TOTAL 2006 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 5</u>	<u>\$ 1,200</u>	<u>\$ 68,800</u>	<u>\$ 15,434</u>	<u>\$ 5,682</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FISCAL YEARS ENDED JUNE 30, 2007 and 2006
(expressed in thousands)

	Fund 0347 Employment and Training Fund	Fund 0394 Gaining Early Awareness and Readiness for Undergraduate Programs Fund	Fund 0408 DHS Special Purposes Trust Fund	Fund 0421 Public Assistance Recoveries Trust Fund	Fund 0495 Old Age Survivors Insurance Fund
TOTAL 2007 RECEIPTS PER DEPARTMENT RECORDS	\$ 11,304	\$ 3,325	\$ 175,944	\$ 1	\$ 58,596
Deposits in transit, beginning of period	-	-	-	-	-
Deposits in transit, end of period	-	-	-	-	-
Adjustments to be made to Department records - miscellaneous	(1,356)	-	(7,000)	(1)	-
TOTAL 2007 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 9,948</u>	<u>\$ 3,325</u>	<u>\$ 168,944</u>	<u>\$ -</u>	<u>\$ 58,596</u>
TOTAL 2006 RECEIPTS PER DEPARTMENT RECORDS	\$ 5,209	\$ -	\$ 151,764	\$ -	\$ 60,972
Deposits in transit, beginning of period	-	-	-	-	-
Deposits in transit, end of period	-	-	-	-	-
Adjustments to be made to Department records - miscellaneous	-	-	-	-	-
TOTAL 2006 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 5,209</u>	<u>\$ -</u>	<u>\$ 151,764</u>	<u>\$ -</u>	<u>\$ 60,972</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FISCAL YEARS ENDED JUNE 30, 2007 and 2006
(expressed in thousands)

	Fund 0502 Early Intervention Services Revolving Fund	Fund 0540 Electronic Benefits Transfers Fund	Fund 0592 DHS Federal Projects Fund	Fund 0642 State Projects Fund	Fund 0646 Alcoholism and Substance Abuse Fund	Fund 0690 DHS Private Resources Fund
TOTAL 2007 RECEIPTS PER DEPARTMENT RECORDS	\$ 95,001	\$ 154,910	\$ 20,217	\$ 3,857	\$ 21,477	\$ 189
Deposits in transit, beginning of period	114	-	-	-	-	4
Deposits in transit, end of period	(1)	-	-	-	-	-
Adjustments to be made to Department records - miscellaneous	148	(7,775)	22	-	-	-
TOTAL 2007 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 95,262</u>	<u>\$ 147,135</u>	<u>\$ 20,239</u>	<u>\$ 3,857</u>	<u>\$ 21,477</u>	<u>\$ 193</u>
TOTAL 2006 RECEIPTS PER DEPARTMENT RECORDS	\$ 98,910	\$ 164,697	\$ 19,212	\$ 1,321	\$ 15,395	\$ 67
Deposits in transit, beginning of period	84	-	-	-	-	-
Deposits in transit, end of period	(114)	-	-	-	-	(4)
Adjustments to be made to Department records - miscellaneous	157	-	39	-	-	-
TOTAL 2006 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 99,037</u>	<u>\$ 164,697</u>	<u>\$ 19,251</u>	<u>\$ 1,321</u>	<u>\$ 15,395</u>	<u>\$ 63</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FISCAL YEARS ENDED JUNE 30, 2007 and 2006
(expressed in thousands)

	Fund 0700 U.S.D.A. Women, Infants and Children Fund	Fund 0798 Rehabilitation Services Elementary and Secondary Education Act Fund	Fund 0872 Maternal and Child Health Services Block Grant Fund	Fund 0873 Preventive Health and Health Services Block Grant Fund	Fund 0876 Community Mental Health Services Block Grant Fund
TOTAL 2007 RECEIPTS PER DEPARTMENT RECORDS	\$ 268,501	\$ 683	\$ 19,978	\$ 491	\$ 15,979
Deposits in transit, beginning of period	8	-	-	-	-
Deposits in transit, end of period	-	(45)	(1)	-	-
Adjustments to be made to Department records - miscellaneous	-	-	-	-	-
TOTAL 2007 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 268,509</u>	<u>\$ 638</u>	<u>\$ 19,977</u>	<u>\$ 491</u>	<u>\$ 15,979</u>
TOTAL 2006 RECEIPTS PER DEPARTMENT RECORDS	\$ 245,666	\$ 605	\$ 21,521	\$ 304	\$ 17,098
Deposits in transit, beginning of period	-	-	-	-	-
Deposits in transit, end of period	(8)	-	-	-	-
Adjustments to be made to Department records - miscellaneous	-	-	-	-	-
TOTAL 2006 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 245,658</u>	<u>\$ 605</u>	<u>\$ 21,521</u>	<u>\$ 304</u>	<u>\$ 17,098</u>

(Continued)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FISCAL YEARS ENDED JUNE 30, 2007 and 2006
(expressed in thousands)

	Fund 0910 Youth Drug Abuse Prevention Fund	Fund 0911 Juvenile Justice Trust Fund	Fund 0921 DHS Recoveries Trust Fund	Fund 0935 Social Services Block Grant Fund	Total All Funds
TOTAL 2007 RECEIPTS PER DEPARTMENT RECORDS	\$ 419	\$ 2,716	\$ 12,736	\$ 100,655	\$ 1,868,891
Deposits in transit, beginning of period	2	-	98	-	1,538
Deposits in transit, end of period	(2)	-	(258)	-	(2,267)
Adjustments to be made to Department records - miscellaneous	-	(3)	(3)	-	(7,708)
TOTAL 2007 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 419</u>	<u>\$ 2,713</u>	<u>\$ 12,573</u>	<u>\$ 100,655</u>	<u>\$ 1,860,454</u>
TOTAL 2006 RECEIPTS PER DEPARTMENT RECORDS	\$ 444	\$ 4,058	\$ 13,408	\$ 114,846	\$ 1,866,697
Deposits in transit, beginning of period	8	-	273	-	1,805
Deposits in transit, end of period	(2)	-	(98)	-	(1,538)
Adjustments to be made to Department records - miscellaneous	-	-	-	-	(18)
TOTAL 2006 DEPOSITS RECORDED BY STATE COMPTROLLER	<u>\$ 450</u>	<u>\$ 4,058</u>	<u>\$ 13,583</u>	<u>\$ 114,846</u>	<u>\$ 1,866,946</u>

(Concluded)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

COMPLIANCE EXAMINATION - CENTRAL OFFICE

NOTES ON FINANCIAL RELATED DATA

For the Years Ended June 30, 2007 and 2006

Introduction

The following comments relate to the operations of the Illinois Department of Human Services - Central Office for the years ended June 30, 2007 and 2006. The scope of our engagement includes a financial audit of the entire Illinois Department of Human Services for the year ended June 30, 2007 and for the year ended June 30, 2006 (issued under separate cover), a compliance examination of the Central Office which included certain decentralized locations funded through appropriations to the Central Office for the two years ended June 30, 2007, and State compliance testing of all appropriations to the Department of Human Services for travel expenditures, printing expenditures, equipment expenditures, electronic data processing expenditures, telecommunications expenditures, operation of automotive equipment expenditures, and lapse period expenditures for the two years ended June 30, 2007. Limited scope compliance examinations of individual Mental Health and Developmental Facilities, Center for Rehabilitation and Education – Roosevelt and Schools for the Deaf or Visually Impaired have been conducted by other special assistant auditors for the two years ended June 30, 2007.

The following depicts the organizational structure of the Department as a whole at June 30, 2007:

Administration (Central Office):
Community Relations
Compliance Workplace Safety
Grants
Hispanic/Latino Affairs
Inspector General
Legal Counsel
Legislation
Procurement
Special Projects
Strategic Planning
Budgets
Business Services
Clinical, Administrative and Program Support
Contract Administration
Fiscal Services
Human Resources
Management Information Services

Community Health and Prevention:
Office of Family Health
Office of Prevention

Human Capital Development:
Office of Policy Training and Program Development
Office of Family Support Services

Community Operations including Welfare to Work Performance and Outcome Measures

Mental Health and Developmental Disabilities Services:
Division of Developmental Disabilities
Division of Mental Health

Division of Alcohol and Substance Abuse

Division of Rehabilitation Services

The financial information included herein for the Central Office was derived from the accounting records of the Department or was furnished by officials of the Department.

Analysis of Significant Variations in Expenditures

Schedules 3 and 4, "Schedule of Appropriations, Expenditures and Lapsed Balances" present information by fund and division within fund for the fiscal years ended June 30, 2007 and 2006. Schedule 5, "Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances" compares expenditures by fund and division within fund for both appropriated funds and nonappropriated funds for the divisions covered by the compliance examination.

The Department's explanation for significant fluctuations in expenditures as presented on Schedule 5 is detailed below (amounts expressed in thousands).

2005 to 2006

General Revenue Fund - 0001

The Distributive Items expenditures increased by \$180,582 or 31% from fiscal year 2005 to 2006. This increase is due to the deletion of Child Care Services Division. The Distributive Items spending lines now provide money for services that were formerly covered under the Child Care Services lines.

The Field Level Operations expenditures decreased by \$223,416 or 100% from fiscal year 2005 to 2006. This decrease is due to the deletion of the Field Operations Division. This was moved to the Employment and Social Services Program Division in fiscal year 2006.

Administrative and Program Support expenditures increased by \$40,722 or 89% from fiscal year 2005 to 2006. This increase is primarily due to the transfer of the Bureau of Training and Development to the Administrative and Program Support Division and the purchase of new mailing equipment.

The Child Care Services Division's expenditures decreased by \$163,183 or 100% from fiscal year 2005 to 2006. This decrease is due to the deletion of the Child Care Services Division. These costs are now paid from Distribution Items.

Disability/Behavioral Health Program Administration expenditures decreased by \$8,612 or 25% from fiscal year 2005 to 2006. This decrease is caused by the restructuring of program costs to reflect organizational responsibility in the Divisions of Developmental Disability, Mental Health, Alcohol and Substance Abuse, and Rehabilitation Services.

Treatment/Detention Sexually Violent Persons expenditures decreased \$17,447 or 100% from fiscal year 2005 to 2006. The Treatment and Detention Facility was no longer a part of the Central Office in fiscal year 2006 and was reported as a separate facility.

Employment and Social Service Program expenditures increased by \$202,537 or 377% from fiscal year 2005 to 2006. This increase is primarily due to the transfer of the Field Level Operations to the Employment and Social Service Program.

Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund - 0013

Addiction Treatment expenditures increased by \$7,172 or 15% from fiscal year 2005 to 2006. This increase is due to the transfer of the Alcohol and Substance Abuse expenditures from the Disability/Behavioral Health Program Administration Division to the Addiction Treatment Division.

Disability/Behavioral Health Program Administration expenditures decreased by \$3,397 or 100% from fiscal year 2005 to 2006. This decrease is due to the transfer of the Alcohol and Substance Abuse expenditures from Disability/Behavioral Health Program Administration to the Addiction Treatment Division.

Vocational Rehabilitation Fund - 0081

Administrative and Program Support expenditures increased by \$4,970 or 59% from fiscal year 2005 to 2006. This increase is due to realignment of funds as a result of CMS directed consolidations for leased property management.

Community DD Services Medicaid Trust Fund - 0142

Developmental Disabilities Grants-in-aid and Purchase of Care expenditures increased by \$2,940 or 100% from fiscal year 2005 to 2006. This increase is due to the creation of this fund during 2006. It was created specifically to reimburse fee-for-service grant programs relating to developmental disabilities.

Employment and Training Fund - 0347

Employment and Social Service Program expenditures decreased by \$15,794 or 76% from fiscal year 2005 to 2006. This decrease is caused by two fiscal year 2005 payments to entities outside DHS that were not made in fiscal year 2006. The two payments were to Chicago Public Schools which received \$12,500 and the Department of Corrections which received \$3,000.

DHS Special Purposes Trust Fund - 0408

Child Care Services expenditures decreased by \$129,209 or 100% from fiscal year 2005 to 2006. This decrease is caused by the elimination of this division and the transfer of funding to the Employment and Social Service Program.

Refugee Social Service Program expenditures decreased by \$5,599 or 100% from fiscal year 2005 to 2006. This decrease is caused by the elimination of this division and the transfer of funding to the Employment and Social Service Program.

Employment and Social Service Program expenditures increased by \$140,083 or 1,174% from fiscal year 2005 to 2006. This increase is caused by a transfer of the Child Care Services and the Refugee Social Service Program to this division.

Old Age Survivors Insurance Fund - 0495

Administrative and Program Support expenditures increased by \$2,740 or 100% from fiscal year 2005 to 2006. This increase is caused by the realignment of funding as a result of CMS directed consolidations for leased property management.

Alcoholism and Substance Abuse Fund - 0646

Addiction Treatment expenditures increased by \$9,296 or 164% from fiscal year 2005 to 2006. This increase in spending is due to the Department obtaining new federal discretionary time-limited funds for the Access to Recovery and Screening and Brief Intervention Referral and Treatment Initiative Grant.

Juvenile Justice Trust Fund - 0911

Juvenile Justice Program expenditures decreased by \$3,755 or 48% from fiscal year 2005 to 2006. This decrease in spending is caused by a reduction in the amount of unexpended prior federal fiscal year grant awards. In addition, the Enforcing Underage Drinking Grant was drawn into a different fund.

2006 to 2007

General Revenue Fund – 0001

Addiction Prevention expenditures increased by \$2,359 or 45% from fiscal year 2006 to 2007. This increase included new funding of \$1,500 for a Meth Awareness Program and \$850 for a 3% cost of living adjustment.

Disability/Behavioral Health Program Administration expenditures increased by \$8,760 or 34% from fiscal year 2006 to 2007. This increase was caused by a transfer of facility pharmacy staff to the Office of Clinical, Administrative and Program Support.

Community DD Services Medicaid Trust Fund - 0142

Developmental Disabilities Grants-in-aid and Purchase of Care expenditures increased by \$2,059 or 70% from fiscal year 2006 to 2007. This increase was caused by increased federal grant awards. The grant funds are related to federal financial participation generated from converting grant funded programs to fee-for-service.

Illinois Affordable Housing Trust Fund - 0286

Employment and Social Service Program expenditures increased by \$10,993 or 100% from fiscal year 2006 to 2007. This was a new fund established at the Department in fiscal year 2007.

Employment and Training Fund - 0347

Employment and Social Service Program expenditures increased by \$4,962 or 98% from fiscal year 2006 to 2007. The Department began to pay TANF cash assistance benefits from Fund 0347 in fiscal year 2007.

Analysis of Significant Variations in Receipts

A summary of cash receipts by fund by source is presented in Schedule 8, Comparative Schedule of Cash Receipts. The Department's explanation for significant fluctuations in cash receipts for each fund is detailed below (amounts expressed in thousands).

2005 to 2006

General Revenue Fund – 0001

Food stamps receipts increased \$18,538 or 28% from fiscal year 2005 to 2006. This is a result of a timing difference in the Federal draws for the two fiscal years.

Chicago general assistance receipts decreased \$8,130 or 49% from fiscal year 2005 to 2006 due to legislation (305 ILCS 5/12-3) decreasing funds by \$5,000 a year until it no longer provides any funds for public aid purposes under Article VI.

Mental Health Fund – 0050

Patient care reimbursements and miscellaneous collections increased \$3,856 or 17% from fiscal year 2005 to 2006. This is due to receiving two Medicare settlements totaling approximately \$2,000 and increased billings by facilities in fiscal year 2006.

Vocational Rehabilitation Fund – 0081

Indirect cost reimbursements from the federal government increased \$1,263 or 23% from fiscal year 2005 to 2006. This is due to the indirect costs that are vouchered for the final quarter for fiscal year 2005 not being completed until late in the prior fiscal year. Thus, there are five quarters of indirect cost reimbursements in fiscal year 2006.

Mental Health Transportation Fund – 0134

Sale of land and structures increased \$1,200 or 100% from fiscal year 2005 to 2006. This is due to the sale of the Zeller Mental Health Center.

Employment and Training Fund – 0347

Federal-TANF grant receipts decreased \$14,243 or 73% from fiscal year 2005 to 2006. This is due to Chicago Public Schools being awarded \$12,500 out of TANF in fiscal year 2005 but not in fiscal year 2006.

DHS Special Purposes Trust Fund – 0408

Federal – U.S. Department of Agriculture – multiple grants receipts decreased \$9,362 or 42% from fiscal year 2005 to 2006. This is primarily due to the timing of the draws.

Family violence receipts increased \$1,056 or 59% from fiscal year 2005 to 2006. This is due to the timing of the federal draws.

Early Intervention Services Revolving Fund – 0502

Federal – U.S. Department of Education receipts increased \$11,853 or 47% from fiscal year 2005 to 2006. The increase is due to drawing funds relating to a prior year receivable.

Alcoholism and Substance Abuse Fund – 0646

Federal – U.S. Department of Health and Human Services receipts increased \$6,575 or 115% from fiscal year 2005 to 2006. The increase is due to a \$6,000 increase in funds in the Access to Recovery Project program.

Juvenile Justice Trust Fund – 0911

Federal – U.S. Department of Justice receipts decreased \$4,095 or 50% from fiscal year 2005 to 2006. This is a result of several open grant fiscal years which were available in fiscal year 2005, but only the current grant year was available in fiscal year 2006.

Social Services Block Grant Fund – 0935

TANF receipts increased \$32,140 or 100% from fiscal year 2005 to 2006. This is a result of the new process involved in transferring TANF funds to Title XX. In the past, a receipt transfer was completed. During fiscal year 2006, the Illinois Office of the Comptroller established a receipt account code for TANF directly in the 0935 fund so that funds eligible to be transferred from the TANF Block Grant to the Title XX Social Services Block Grant could automatically be deposited into this fund.

2006 to 2007

General Revenue Fund – 0001

Child Care Development Block Grant receipts decreased \$16,309 or 21% from fiscal year 2006 to 2007. The decrease is due to more expenditures being made from the DHS Special Purposes Trust Fund 0408.

Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund – 0013

Federal – U.S. Department of Health and Human Services receipts decreased \$9,392 or 14% from fiscal year 2006 to 2007. This is due to the timing of the sub-grantee payments. The funds were not drawn until July 2007.

Mental Health Fund – 0050

Patient care reimbursements and miscellaneous collections increased \$2,712 or 10% from fiscal year 2006 to 2007. This is due to the increase in Medicare and Medicaid receipts for prior year services billed during fiscal year 2007.

Vocational Rehabilitation Fund – 0081

Indirect cost reimbursements from federal government decreased \$2,335 or 35% from fiscal year 2006 to 2007. This is due to a lower indirect rate for the Vocational Rehabilitation grant and the SSDI grant.

Mental Health Transportation Fund – 0134

Sale of land and structures decreased \$1,200 or 100% from fiscal year 2006 to 2007. This decrease is due to the sale of the Zeller Mental Health Center during fiscal year 2006.

Federal National Community Services Fund – 0343

Federal – U.S. Department of Health and Human Services receipts increased \$1,465 or 100% from fiscal year 2006 to 2007. This is due to the initial administrative costs for the GEAR-UP program. These monies will be moved to Gaining Early Awareness and Readiness for Undergraduate Programs Fund – 0394 in fiscal year 2008.

Employment and Training Fund – 0347

Federal – TANF grant receipts increased \$6,121 or 118% from fiscal year 2006 to 2007. In fiscal year 2007, a portion of the cash grants, \$7.3 million, were paid from this fund rather than the General Revenue Fund - 0001.

Gaining Early Awareness and Readiness for Undergraduate Programs Fund – 0394

Federal – U.S. Department of Education receipts increased \$3,325 or 100% from fiscal year 2006 to 2007. This is due to the fund being established during fiscal year 2007 for a new program.

DHS Special Purposes Trust Fund – 0408

Federal – U.S. Department of Agriculture – multiple grants receipts increased \$2,874 or 22% from fiscal year 2006 to 2007. This is due to a one-time \$2.366 million performance bonus received in fiscal year 2007.

Child care receipts increased \$22,204 or 17% from fiscal year 2006 to 2007. This is due to the Childcare Development Fund expenditures being made out of this fund instead of the General Revenue Fund.

Early Intervention Services Revolving Fund – 0502

Federal – U. S. Department of Education receipts decreased \$6,730 or 18% from fiscal year 2006 to 2007. This is due to a reduction in the amount of federal awards available.

Electronic Benefits Transfers Fund – 0540

Employability development services receipts decreased \$1,526 or 38% from fiscal year 2006 to 2007. This is due to a transfer of benefit funds to the EBT accounts. Transfers for support services were made from General Revenue Fund appropriations rather than employability development services beginning in January 2007.

Transitional assistance receipts increased \$1,910 or 21% from fiscal year 2006 to 2007 for the same reason noted in the previous paragraph.

State Projects Fund – 0642

Illinois Housing Development Authority receipts increased \$2,000 or 100% from fiscal year 2006 to 2007. This is due to it being a new program in fiscal year 2007.

Alcoholism and Substance Abuse Fund – 0646

Federal – U.S. Department of Health and Human Services receipts increased \$6,246 or 51% from fiscal year 2006 to 2007. This is due to the timing of sub-grantee payments and the related draw downs from the federal government.

U.S.D.A. Women, Infants and Children Fund – 0700

Federal – U.S. Department of Agriculture receipts increased \$21,824 or 12% from fiscal year 2006 to 2007. This is due to the increase in WIC food expenditures (cost increases for milk, cereal and infant formula).

Juvenile Justice Trust Fund – 0911

Federal – U.S. Department of Justice receipts decreased \$1,370 or 34% from fiscal year 2006 to 2007. This is due to multiple older grants still open in fiscal year 2006 that were not open in fiscal year 2007. In addition, federal awards decreased.

Social Services Block Grant Fund – 0935

TANF receipts decreased \$8,434 or 26% from fiscal year 2006 to 2007. This is due to the Department not transferring as much TANF funds to the Social Services Block Grant as in prior years. Timing of the draws impacted the federal receipts between fiscal year 2006 and fiscal year 2007. There are draws done subsequently to reimburse General Revenue Fund, so they are consistent each month/quarter.

Analysis of Significant Lapse Period Spending

The Department's explanation for significant fluctuations in lapse period expenditures is detailed below (amounts expressed in thousands).

Fiscal Year 2006

General Revenue Fund – 0001

Management Information Service lapse period expenditures totaled \$9,495 or 21% of total expenditures for fiscal year 2006. The majority of expenditures that were made during lapse period were for final billings from the Department of Central Management Services.

Prevention and Treatment of Alcoholism and Substance Abuse Block Grant Fund – 0013

Addiction Treatment lapse period expenditures totaled \$8,827 or 16% of total expenditures for fiscal year 2006. The majority of expenditures that were made during lapse period were for final billings from providers which was caused by a switch from grant payments to fee-for-service reimbursements causing the lapse period spending to increase.

DHS Special Purposes Trust Fund – 0408

Community Health lapse period expenditures totaled \$2,000 or 24% of total expenditures for fiscal year 2006. The majority of expenditures were made for community based providers. The Department waits until seeing final documentation before paying the bills to community based providers.

Alcoholism and Substance Abuse Fund – 0646

Addiction Treatment lapse period expenditures totaled \$5,007 or 33% of total expenditures for fiscal year 2006. The majority of expenditures during lapse period were for final billings from providers.

Fiscal Year 2007

General Revenue Fund – 0001

Administrative and Program Support lapse period expenditures totaled \$17,686 or 20% of total expenditures for fiscal year 2007. The majority of expenditures that were made during lapse period were for facilities rent for April, May, and June.

Management Information Service lapse period expenditures totaled \$10,295 or 24% of total expenditures for fiscal year 2007. The majority of expenditures that were made during lapse period were for bills that were owed to the Department of Central Management Services and a 2% transfer to pay a bill to the Department of Central Management Services.

Prevention and Treatment Alcoholism and Substance Abuse Block Grant Fund – 0013

Addiction Treatment lapse period expenditures totaled \$19,888 or 37% of total expenditures for fiscal year 2007. The majority of expenditures that were made during lapse period were for payments typically made in May because the person responsible for processing payments was on vacation. Also, the reimbursement for fee-for-service payments increased expenditures in the lapse period.

Vocational Rehabilitation Fund – 0081

Administrative and Program Support lapse period expenditures totaled \$3,406 or 23% of total expenditures for fiscal year 2007. The majority of expenditures that were made during lapse period were for an extraordinary refund and final year end lease payments to the Department of Central Management Services.

DHS Special Purposes Trust Fund – 0408

Community Health lapse period expenditures totaled \$2,040 or 25% of total expenditures for fiscal year 2007. The majority of expenditures made during lapse period were for community based providers. The Department waits until seeing final documentation before paying the bills to community based providers.

Analysis of Changes in State Property

Schedule 7, the Schedule of Changes in State Property – Central Office summarizes changes in the Department's fixed assets during fiscal years 2007 and 2006 only for the Central Office.

During fiscal years 2007 and 2006 the majority of additions to the property control system for the Central Office were for the purchase of computer equipment and other computer related peripheral equipment such as printers, servers and software, as well as furniture. Reductions to the property control system for fiscal years 2007 and 2006 were attributable to computer equipment and major moveable equipment reported as surplus to the Department of Central Management Services (CMS). Other reductions in property equipment were due to the transfer of Department services and switches to CMS in accordance with the Governor's initiative outlining CMS' responsibility for maintaining and tracking all State-owned servers. Other reductions in property and equipment were due to retirements, transfers of property out, and other deletions.

Analysis of Accounts Receivable

Receivables of the Department consist of reimbursements or formula allocation amounts due to the Department for administration of federal grant awards, recoveries of public assistance grant funds, recipient services and rebates. The principal federal grantor agencies are the U.S. Departments of Health and Human Services, Education, and Agriculture, and the Social Security Administration. In addition to routine collection processes, the Department utilizes private collection services and the Comptroller's Treasury Offset System to collect receivables.

Other receivables, net, include an allowance for uncollectibles of \$450,634 and \$440,790 (expressed in thousands) for fiscal years 2007 and 2006, respectively. Loans and notes receivable, net, include an allowance for uncollectibles of \$37 and \$36 (expressed in thousands) for fiscal years 2007 and 2006, respectively. The amounts due from other funds and component units are amounts due from other State agencies and related organizations and are all considered fully collectible.

The following is a schedule of receivable balances (expressed in thousands) at June 30, 2007 and 2006, respectively.

	<u>Total</u> <u>June 30, 2007</u>	<u>Total</u> <u>June 30, 2006</u>
Taxes receivable, net	\$ 133	\$ 319
Due from other government – federal	192,026	205,759
Due from other government – local	8,637	6,012
Other receivables, net	37,544	39,805
Due from other State funds	1,583	3,289
Due from component units	2	-
Loans and net receivable, net	<u>516</u>	<u>533</u>
	<u>\$ 240,441</u>	<u>\$ 255,717</u>

Schedule of Indirect Cost Reimbursements

The Illinois Department of Human Services claims indirect costs for the grant programs in two different ways. The Department has two cost plans. One is a Public Assistance Cost Allocation Plan (PACAP) approved by the U.S. Department of Health and Human Services, Division of Cost Allocation effective for State fiscal year 2007. This plan represents the direct costs for the Department. The second cost plan is a Department Indirect Cost Allocation Plan (DICAP) approved by the U.S. Department of Health and Human Services effective for State fiscal year 2006. The implementation of both cost plans assures that cost recovery for federal grants is maximized.

The DICAP is compiled for a given State fiscal year after the close of the State fiscal year. The costs from the annual DICAP are added to the PACAP allocations each quarter. The PACAP allocations reflect the current quarter expenditures and charges to the respective grant programs. The annual DICAP amount(s) is added to the current PACAP in a quarterly allocation amount.

The process for indirect cost recovery is as described above for all Department grant programs except the Social Security Administration Disability Determination Program and the Division of Rehabilitation Services Vocational Rehabilitation Program. The costs compiled in the DICAP attributable to these two areas/programs are converted to an indirect rate and applied to the direct personal services cost pool to derive the indirect costs for these two respective areas. The federal agencies responsible for these two areas of the Department have required indirect rates rather than indirect amounts as calculated in the above described process.

The following are the indirect cost reimbursements deposited by the Department for the fiscal years ended June 30, 2006 and 2007:

Fiscal Year 2007

Program

Food Stamp Program	\$ 18,663,557
Temporary Assistance for Needy Families (TANF)	6,390,096
Child Care Development Fund	6,323,376
Social Service Block Grant (SSA, Title XX)	283,818
Substance Abuse Prevention and Treatment Block Grant	671,707
Supplemental Nutrition Program for Women, Infants and Children (WIC)	750,153
Maternal and Child Health Block Grant (SSA, Title V)	495,286
Social Security Disability Program (SSA, sec. 221(b))	2,152,338
Vocational Rehabilitation	5,209,752

Fiscal Year 2006

Program

Food Stamp Program	\$ 19,952,225
Temporary Assistance for Needy Families (TANF)	6,206,077
Child Care Development Fund	6,848,384
Social Service Block Grant (SSA, Title XX)	356,444
Substance Abuse Prevention and Treatment Block Grant	746,850
Supplemental Nutrition Program for Women, Infants and Children (WIC)	691,273
Maternal and Child Health Block Grant (SSA, Title V)	484,836
Social Security Disability Program (SSA, sec. 221(b))	2,000,904
Vocational Rehabilitation	5,799,790

Other Central Office Appropriations

The scope of the engagement included testing of the Illinois Center for Rehabilitation and Education-Wood (ICRE-Wood) facility. The Department expended \$1,626,207 and \$1,662,106 during fiscal years 2006 and 2007, respectively. Expenditure detail is as follows:

	<u>2007</u>	<u>2006</u>
General Revenue Fund – 0001		
Home Service Program	\$ 51,763	\$ 58,711
Rehabilitation Service Bureaus	284,568	276,729
Community and Resident Services for Blind and Visually Impaired	22,535	18,100
Rehabilitation and Education Centers	1,899	1,900
Management Information Services	87	-
Total General Fund Revenue	<u>360,852</u>	<u>355,440</u>

	<u>2007</u>	<u>2006</u>
Vocational Rehabilitation Fund – 0081		
Management Information Services	\$ 67	\$ -
Rehabilitation Service Bureaus	<u>1,300,272</u>	<u>1,270,767</u>
Total Vocational Rehabilitation Fund	<u>1,300,339</u>	<u>1,270,767</u>
Illinois Veteran’s Rehabilitation Fund – 0036		
Rehabilitation Services Bureau	<u>915</u>	<u>-</u>
Total All Funds	<u>\$ 1,662,106</u>	<u>\$ 1,626,207</u>

The scope of the engagement included testing of Lincoln Developmental Center. The Department expended a total of \$899,916 and \$843,721 during fiscal years 2007 and 2006, respectively. All expenditures were from the General Revenue Fund.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

COMPLIANCE EXAMINATION – CENTRAL OFFICE

DEPARTMENT FUNCTIONS AND PLANNING PROGRAM

For the Years Ended June 30, 2007 and 2006

Illinois House Bill 2632 created the Illinois Department of Human Services which on July 1, 1997 consolidated the Departments of Alcoholism and Substance Abuse, Mental Health and Developmental Disabilities, and Rehabilitation Services, along with the client-centered services provided through the Departments of Children and Family Services, Public Aid and Public Health. DHS established as its primary mission to assist Illinois residents to achieve self-sufficiency, independence and health, to the maximum extent possible, by providing integrated family-oriented services, promoting prevention and establishing measurable outcomes, in partnerships with communities. The current Secretary for the Department of Human Services is Carol L. Adams, Ph.D.

The Department's mission is carried out through the following divisions: Alcohol and Substance Abuse, Community Health and Prevention, Developmental Disabilities, Human Capital Development, Mental Health, Rehabilitation Services, and Administration. DHS is the largest agency in the State with an average headcount of approximately 14,300 for the period ending June 30, 2007.

Department Planning Process

The Department of Human Services is required by 20 ILCS 10 to submit an annual plan which includes a description of DHS programs, program objectives, qualitative and quantitative data on accomplishments and expenditures, a family impact statement and an analysis of legislation or court decisions which may affect service delivery. The Department has developed Human Service Plans through fiscal year 2008. All DHS divisions and offices work toward the accomplishment of the Department's overall Human Services Plan.

Department accomplishments throughout fiscal years 2006 and 2007 include:

Division of Alcohol and Substance Abuse –

- The Division made data set changes to the Department's Automated Reported and Tracking System (DARTS) to include a unique client identification number, measurement of client arrests for pre- and post-admission, and reporting of tertiary drug use for the National Outcomes Measurement Systems (NOMS).

- The Division and its partners formulated recommendations to establish specific Competency Endorsement(s) (GCE) for substance abuse treatment professionals in Illinois in order to encourage the integration of specific education and training within the existing substance abuse counselor certification structure.
- The Division continues to support recovery activities during Alcohol Awareness Month, National Recovery Month, and the annual Illinois Department of Human Services Prevention, Treatment and Recovery Conference. It has worked on plans for a special film series about addiction and recovery to raise awareness about addiction, prevention, intervention, treatment and recovery. It also began work with federal sponsors to bring a conference to Illinois that champions the legal rights and responsibilities of people with and in recovery from drug and alcohol problems.

Division of Community Health and Prevention –

- The Department and youth service providers worked together to develop service delivery standards for various programs. The standards are used to gauge performance and assure quality of delivered services. Staff are using the newly developed monitoring tool based on the standards to assess youth service providers.
- In calendar year 2004, as reportable for State fiscal year 2006, the infant mortality rates were 7.3% for Illinois (7.1% goal), 14.8% for African Americans (14.6% goal), and 6.0% for Hispanics/Latinos (5.5% goal). 79.2% of women in the Special Supplemental Nutrition Program for Women, Infants and Children Program (WIC) started pre-natal care in the first trimester. In State fiscal year 2006, 64.2% (70% goal) of post-partum women were breast-feeding and 89.9% (90% goal) of Family Case Management and/or WIC one-year-old recipients were fully immunized.
- As of fiscal year 2006, the crisis and long-term needs of 50,530 adults and 11,457 children were met through domestic violence services.
- The number of children with active Individualized Family Service Plans (IFSPs) hit a record 17,023 at the end of State fiscal year 2006, an increase of 2.3%. This represents a participation rate of 3.1% of all children under three. The federal benchmark is at least 2.0%.
- The 2004 Illinois Youth Survey's key findings demonstrated a continued decrease in substance use among 8th and 10th grade students
- Illinois exceeded its objective of 23.0 births per 1,000 fifteen to seventeen year old women. Actual results were 22.8 per 1,000. The birth rate among 15 to 17 year olds has declined 18% between 2000 and 2004.

Division of Developmental Disabilities –

- During State fiscal year 2006, the Division staff surveyed community providers and analyzed grant funding by agency for the remaining day programs. A technical advisory group was formed to review the data. Using the same principles as in previous day program fee-for-service conversions, the Division successfully converted over \$1 million in regular work grant funding to the Developmental Disability Medicaid Waiver. The conversion was implemented July 1, 2006 with existing funding and involved 11 community agencies and 163 participants.
- An Ad Hoc Committee on Independent Service Coordination (ISC) agencies (for the Statewide Advisory Council on Developmental Disabilities) was formed in the spring of 2006, with representatives that included parents and family members of persons with developmental disabilities, executive directors from ISC agencies, representatives from developmental disabilities service agencies, and a policy organization. The committee met four times to review comments, review contractual information and statistical data, and draft proposed ISC principles, expectations and performance measures.
- A transition project was developed with a goal of transitioning 200 individuals from State operated developmental centers to community settings. As of December 31, 2006, 106 individuals have transitioned under this project.
- The Department has begun efforts to enhance the Clinical Administrative Review Team (CART) processes to enhance efforts to assist persons in crisis and study the feasibility of expanding incident reports to include elopements and hospitalizations. The Division is collecting data on the existing system and will compare to the CART systems and take the best ideas from each, examine the medical and legal issues surrounding the processes, identify resources throughout the State operated developmental centers to provide assessments, and form three assessment teams to work at the direction of the Transition Center Assessment Team stationed at the Jacksonville Developmental Center.
- The Division worked with consultants to improve the Centers for Independent Living Arrangements (CILAs) and day program rules and survey guidelines as part of the new quality framework for the revised Home and Community-Based Services (HCBS) Waiver that is expected to be approved.

Division of Human Capital Development –

- The federal Temporary Assistance for Needy Families (TANF) participation data has been gathered and timely filed in an accurate manner each quarter. With TANF reauthorization a new database has been installed and is being tested. All court-ordered reports were completed timely and accurately as well.

- The Division is working with PCG, a firm contracted by the Governor's Office, to identify those eligible for Medicare and for whom the Department can buy-in (Department pays the premium and the Social Security Administration pays most of the medical bills). The number enrolled in the buy-in has increased to 9,353 individuals through additional matches and staff initiatives.
- The childcare program continues to serve all eligible applicants. There are no waiting lists for the program. In State fiscal year 2006, a monthly average of 104,600 families (192,500 children) received services. Ninety percent of the families in the program are receiving services due to employment.
- Food Stamp Employment and Training (FSE&T) providers reported an average of 2,735 customers per month engaged in activities, 447 customers achieved a certificate of completion from a vocational or other training program, 352 customers achieved GED grade level gains, 110 customers achieved GED certificates, 2,124 customers initially gained employment, and 1,426 achieved employment with retention of 30 or more days based on billing.
- TANF providers reported an average of 1,000 customers per month engaged in activities, 914 customers achieved a certificate of completion from a vocational or other training program, 94 customers achieved GED grade level gains, 23 customers achieved GED certificates, 1,608 customers initially gained employment, and 684 achieved employment with retention of 30, 60, or 90 days based on billing with more than 70% billed at 90 days.
- Work First providers reported an average of 1,778 customers per month engaged in activities, 195 customers achieved a certificate of completion from a vocational or other training program, 48 customers achieved GED grade level gains, 18 customers achieved GED certificates, 1,392 customers initially gained employment, and 837 achieved employment with retention of 90 days based on billing.
- The Department served 1.8 million households and distributed over 17 million pounds of USDA commodities.
- Programs provided 2,077,668 nights of shelter and 3,331,801 meals during State fiscal year 2006.
- The Division completed 100% of all scheduled monitoring during State fiscal year 2006 and will obtain 100% compliance for all supportive housing providers.
- During State fiscal year 2006, the Department provided rental assistance to 6,120 participants, provided utility assistance to 1,487 participants, and provided security deposit assistance to 1,468 participants.

Division of Mental Health –

- The Division trained more than 140 Wellness Recovery Action Plans (WRAP) facilitators, appointed and trained two consumer liaisons for each of the 30 field test agencies, enhanced and increased consumer/family membership and participation in the Illinois Mental Health Planning and Advisory Council, began increased data collection and analysis for consumer surveys and WRAP training, began collaboration with identified community consumers and family members, and initiated certificate program for training consumers as peer specialists.
- The Division began the adoption of the Supported Employment Program Model, established the initial Supported Employment Program Pilots, enhanced the employment services for existing Assertive Community Training (ACT) Team by the addition of vocational specialists, developed the Center for Implementation of Medication Algorithms (CIMA) Program to increase efficiency and effectiveness in the use of medication algorithms, developed a system of care involving all child-serving systems and partnerships in the Chicago area, and secured several additional federal and private grants.
- The Division continued expansion of the residential treatment and support services for consumers, continued compliance with the Illinois Standards of Care (ISOC) for deaf, hard of hearing, late deafened, and deaf-blind individuals, continued development of the community-based services for forensic consumers, expanded access to Medicaid and other entitlements at all State hospitals for persons leaving the hospital, and moved the Treatment and Detention Facility to an alternate treatment site.
- The Division received a national Johnson & Johnson grant to assist in the expanded development of the Supported Employment Program evidence-based practice, continued the work in collaboration with our education partners on the Positive Behavioral Interventions and Support Model, implemented a redesigned intervention system, developed the “Brand New Day” initiative providing consultation, training and service design to staff of the Divisions of Mental Health Services and Rehabilitation Services, continued the work on collaborative mental illness with substance abuse initiatives, and continued the collaboration work with the Department on Aging including the presentation of the annual Mental Health and Aging Conference.
- The Division completed advanced training for the staff of all ACT program teams, provided disaster relief training for State operated and State aided service providers, provided training for State hospital staff for the development of coercion-free environments, and provided training for Division of Mental Health staff for the development of increased culturally competent and linguistically appropriate mental health services.

- The Division developed and promulgated a revised Medicaid Rule 132 including state-wide training for community services providers, implemented the steps of the System Restructuring Initiative (SRI), provided technical assistance to all community agencies moving to a fee-for-service funding system as required with SRI, and developed appropriate data systems and survey instruments to provide evaluation and analyses of the SRI process.
- The Division developed a restructured Information Technology (IT) service structure, completed a review and revision of all data systems and data reports, began a multi-year development of an evaluation system for the use of WRAP, and developed an on-line technology for use by all system partners.

Division of Rehabilitation Services –

- During State fiscal year 2006, the Division assisted 4,957 individuals gain employment. This is considerably less than the target figure established during 2005. The Department emphasized the quality of jobs, specifically the hourly wages, hours of work, and employer provided benefits, rather than the total number of outcomes. Individuals who gained employment during State fiscal year 2006 earned an hourly wage of \$9.43 which is less than the target of \$9.53 but still represents a 13% increase over the level of State fiscal year 2003 when the Division began tracking wages. A total of 3,401 individuals participated in the Supported Employment Program during State fiscal year 2006. This is lower than the target figure. The cost of providing this service continues to increase each year, so the Division projects fewer individuals will participate in the program over the next two fiscal years.
- The Home Services Program (HSP) served 35,916 persons with disabilities during State fiscal year 2006, a 1% increase over State fiscal year 2005. The Division implemented a redetermination initiative which resulted in slower growth in the program and fewer new cases being served. The initiative involved staff training which focused on appropriate methods for conducting assessments of customer needs with some customers being determined no longer eligible for the program. The number of HSP cases with a disability caused by brain injury increased nearly 21% in the last two years to a total of 5,635 cases in State fiscal year 2006. This is primarily the result of the Division establishing new contracts with provider agencies who serve this population. There has been a slowdown in the expansion of the community reintegration program with a total of 187 individuals moved from nursing homes into homes or apartments in the community during State fiscal year 2006. This figure is less than the target value set in 2005. The Division expects to reach about 100 persons per year within the next two years in this program.
- During State fiscal year 2006, the graduation rate for the three Division schools was 100%. Data on the proportion of students who left high school and entered appropriate school, training or work for the school year was not available. The goal was 97%. In addition, the achievement level for the proportion of students across all grade levels for the school year was not available. The goal was 85%. The data was unavailable due to management changes at the schools.

- Disability Determination Services staff assisted a total of 144,327 individuals during State fiscal year 2006 by making eligibility determinations on their applications for Social Security benefits. The figure is lower than the target value but is consistent with the workload expectations of the Social Security Administration. The goal was to process 156,000 applications. The Division anticipates small increases in the total number of cases adjudicated. Accuracy data for State fiscal year 2006 was not available. The goal was to achieve an accuracy rate of 98% for initial determinations.
- During State fiscal year 2006, CILAs in Illinois provided core services to 10,409 persons with disabilities, a 4.9% increase over the previous year. Division staff conducted seven intensive compliance reviews of CILAs. This number is lower than the target of 17 due to a policy change that focuses on more intensive reviews than in the past.

Administration –

- The Department expanded the use of service metrics to measure performance for service contracts during fiscal year 2006. During fiscal year 2007, the Department sent community services agreements to 1,650 providers electronically saving postage and time.
- The Bureau of Expenditure Accounting has worked to improve communications with staff in the program divisions to reduce the processing time and improve the processing of interest penalty payments.
- The Department is piloting a project to increase the number of vendors that the Department pays who utilize the Comptroller's direct deposit process for receipt of payments. In order to resolve the issue that some providers have with their bank being unable to provide detail information on deposits, the Department will also provide the vendors with an electronic record of each payment with sufficient details for them to reconcile all of their receipts to the claims they submitted. In addition, the Office of Clinical Administration and Program Support (OCAPS) has now provided a website for most service providers to access detailed payment information online.

The Department also collaborates with many State and community partners to provide services to clients with multiple needs in a cost effective manner.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

COMPLIANCE AUDIT - CENTRAL OFFICE

SCHEDULE OF NUMBER OF EMPLOYEES

For the Years Ended June 30, 2007, 2006 and 2005

Number of employees by division are presented as follows as of June 30:

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Division of Administrative Services			
Secretary's Office	43	43	30
Associate Secretary	3	4	2
Assistant for Special Projects	0	1	1
Office of Contract Administration	21	22	22
Strategic Planning and Performance Management	7	6	6
Management Information Services	166	179	143
Office of Fiscal Services	119	123	127
Office of Budget	13	13	14
Hispanic/Latino Affairs	6	7	6
Office of Business Affairs	122	129	129
Office of Human Resources	106	104	107
Assistant Secretary – Chicago	6	5	3
Office of Inspector General	56	59	59
Office of Compliance Access and Workplace Safety	30	32	39
Office of Legal Services	65	68	61
Office of Press/Communications	4	4	5
Office of Legislation	<u>10</u>	<u>10</u>	<u>10</u>
Total Division of Administrative Services	<u>777</u>	<u>809</u>	<u>764</u>
Division of Community Health and Prevention			
Community Health and Prevention	72	73	74
Maternal Child Health and Medical Program Prevention	<u>106</u>	<u>103</u>	<u>95</u>
	<u>26</u>	<u>33</u>	<u>25</u>
Total Division of Community Health and Prevention	<u>204</u>	<u>209</u>	<u>194</u>

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

COMPLIANCE AUDIT - CENTRAL OFFICE

SCHEDULE OF NUMBER OF EMPLOYEES

For the Years Ended June 30, 2007, 2006 and 2005

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Division of Human Capital Development			
Transitional Services	2	3	3
Office of Food Stamp Employability	38	46	49
Office of Child Care and Family Services	76	69	78
Office of Financial Support Services	<u>12</u>	<u>14</u>	<u>16</u>
Total Division of Transitional Services	<u>128</u>	<u>132</u>	<u>146</u>
Division of Disability and Behavioral Health Services			
Office of Alcoholism and Substance Abuse	55	57	58
Rehabilitation Service Administration	100	104	118
Illinois School for the Deaf	249	247	241
Rehab/Education CTR - Roosevelt	65	65	69
Illinois School – Visual Impaired	134	132	127
Bureau of Field Operations	19	23	7
Bureau of Field Services – Zone A	157	170	203
Bureau of Field Services – Zone B	179	178	149
Bureau of Field Services – Zone C	125	137	147
Blind Services Administration	28	27	30
Rehab/Education CTR – Wood	29	29	27
Blind Services Region I	19	21	16
Blind Services Region II	12	11	15
Blind Services Region III	9	9	13
Blind Services Region IV	10	11	16
Blind Services Region V	10	8	0
Disability Determination Service	515	534	530
DD and MH Services	21	22	21
DD Central Administration	76	78	76
Fox Developmental Center	252	255	249
Howe Developmental Center	767	767	826

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

COMPLIANCE AUDIT - CENTRAL OFFICE

SCHEDULE OF NUMBER OF EMPLOYEES

For the Years Ended June 30, 2007, 2006 and 2005

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Division of Disability and Behavioral Health Services – Continued			
Jacksonville Developmental Center	440	468	479
Ann M. Kiley Developmental Center	385	407	411
Ludeman Developmental Center	643	648	655
Mabley Developmental Center	157	166	171
Murray Developmental Center	526	535	545
Shapiro Developmental Center	1,164	1,193	1,203
Mental Health Central Office	62	66	62
Alton MH and DD Center	261	264	256
Chester Mental Health Center	489	504	518
Chicago-Read Mental Health Center	311	320	359
Choate MH and DD Center	511	517	530
Elgin Mental Health Center	789	792	850
Madden Mental Health Center	321	312	308
McFarland Mental Health Center	229	221	216
Singer MH and DD Center	167	173	172
Tinley Park Mental Health Center	192	209	219
North Central Network	7	7	8
Treatment and Detention Facility	195	141	162
Clinical Administrative and Program Support	<u>123</u>	<u>130</u>	<u>55</u>
Total Division of Disability and Behavioral Health Services	<u>9,803</u>	<u>9,958</u>	<u>10,117</u>

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

COMPLIANCE AUDIT - CENTRAL OFFICE

SCHEDULE OF NUMBER OF EMPLOYEES

For the Years Ended June 30, 2007, 2006 and 2005

	<u>2007</u>	<u>2006</u>	<u>2005</u>	
Division of Community Operations				
Division of Community Operations	3	2	3	
Region I	1,755	1,813	1,786	
Region II	581	579	542	
Region III	338	347	334	
Region IV	244	252	251	
Region V	370	386	389	
Service Delivery and Community Outreach Management and Field Service	58	22	26	26
Welfare to Work Performance Management	<u>35</u>	<u>35</u>	<u>36</u>	
Total Division of Community Operations	<u>3,406</u>	<u>3,502</u>	<u>3,430</u>	
GRAND TOTAL	<u>14,318</u>	<u>14,610</u>	<u>14,651</u>	

Note: This schedule includes employees for the entire Illinois Department of Human Services including individual Mental Health and Developmental Facilities, Centers for Rehabilitation and Education and Schools for Deaf or Visually Impaired.

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

ANALYSIS OF EMPLOYEE OVERTIME

Fiscal Years Ended June 30, 2007 and 2006

Certain employees are eligible for overtime if the hours worked during a week exceed the standard workweek hours. The standard workweek hours range from 37 ½ to 40 depending on an employee's job classification. In most cases, employees are compensated at 1 ½ times their normal hourly rate for overtime hours worked. A supervisor must approve all overtime. Certain employees may receive compensatory time off in lieu of pay depending on the position classification of the employee's job title.

The following table, prepared from Department records, presents the paid overtime and earned compensatory time incurred during fiscal years 2007 and 2006.

Year Ended June 30, 2007

Central Office / Division	Overtime Hours Paid	\$ Value Overtime Hours Paid	Compensatory Hours Accumulated	\$ Value Of Compensatory Hours Accumulated	Total Overtime & Compensatory Hours	Total \$ Value Of Overtime & Compensatory Hours
Field Level Operations	41,858	\$ 1,481,964	1,888	\$ 50,847	43,746	\$ 1,532,811
Administration and Program Support	7,441	225,256	4,108	109,114	11,549	334,370
Management Information Service	5,272	264,045	3,067	113,290	8,339	377,335
Disability Determination Services Bureau	14,785	606,395	364	13,285	15,149	619,680
Home Services Program	53	1,397	100	2,382	153	3,779
Inspector General	800	25,526	216	6,904	1,016	32,430
Addiction Treatment	88	3,188	497	17,313	585	20,501
Lincoln Developmental Center	608	28,912	-	-	608	28,912
Rehabilitation Service Bureaus	1,802	58,540	2,978	75,120	4,780	133,660
Disability/Behavioral Health Program Administration	187	6,569	627	23,539	814	30,108
Community and Resident Services for Blind and Visually Impaired	152	6,179	382	10,674	534	16,853
Employment and Social Service Program	1,013	34,970	206	5,323	1,219	40,293
Juvenile Justice Program	-	-	10	299	10	299
Behavioral Health and Disabilities	433	17,995	550	17,801	983	35,796
Community Health	58	1,877	71	2,052	129	3,929
Community Youth Services	11	240	48	989	59	1,229
Community Health - Other	9	280	36	1,320	45	1,600
All Other	886	51,432	541	18,926	1,427	70,358
Total Central Office	75,456	\$ 2,814,765	15,689	\$ 469,178	91,145	\$ 3,283,943

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

ANALYSIS OF EMPLOYEE OVERTIME

Fiscal Years Ended June 30, 2007 and 2006

Year Ended June 30, 2007

Facilities	Overtime Hours Paid	\$ Value Overtime Hours Paid	Compensatory Hours Accumulated	\$ Value Of Compensatory Hours Accumulated	Total Overtime & Compensatory Hours	Total \$ Value Of Overtime & Compensatory Hours
Tinley Park Mental Health Center	20,999	\$ 1,027,118	2,017	\$ 45,362	23,016	\$ 1,072,480
Jack Mabley Developmental Center	50,784	1,271,956	4,203	84,968	54,987	1,356,924
Alton Mental Health Center	39,786	1,236,465	6,457	189,026	46,243	1,425,491
Clyde L. Choate Mental Health and Developmental Center	131,455	3,376,803	12,274	325,909	143,729	3,702,712
Chicago Read Mental Health Center	78,543	2,850,282	9,444	367,107	87,987	3,217,389
H. Douglas Singer Mental Health Center	13,704	418,327	4,508	130,923	18,212	549,250
Ann M. Kiley Developmental Center	157,948	3,725,561	476	14,011	158,424	3,739,572
Illinois School for the Deaf	14,114	406,084	33,460	652,711	47,574	1,058,795
Illinois School for the Visually Impaired	10,650	294,592	16,535	311,170	27,185	605,762
John J. Madden Mental Health Center	62,892	2,255,950	13,271	432,865	76,163	2,688,815
Warren G. Murray Developmental Center	156,761	3,707,559	14,560	275,608	171,321	3,983,167
Elgin Mental Health Center	83,718	2,748,181	15,522	379,143	99,240	3,127,324
Chester Mental Health Center	96,013	2,922,379	3,417	138,404	99,430	3,060,783
Jacksonville Mental Health and Developmental Center	81,511	2,219,407	98	2,800	81,609	2,222,207
Illinois Center for Rehabilitation Education (Roosevelt and Wood)	8,237	239,673	6,037	146,864	14,274	386,537
Andrew McFarland Mental Health Center	15,816	538,217	2,544	67,495	18,360	605,712
Gov. Samuel H. Shapiro Developmental Center	141,554	3,358,119	1,773	32,035	143,327	3,390,154
William W. Fox Developmental Center	60,029	1,501,458	5,947	158,034	65,976	1,659,492
Elisabeth Ludeman Developmental Center	165,969	4,088,877	1,719	43,271	167,688	4,132,148
William A. Howe Developmental Center	274,480	7,352,978	9,555	313,770	284,035	7,666,748
Treatment/Detention Sexually Violent Persons	19,541	507,189	6,070	120,832	25,611	628,021
Total Facilities	<u>1,684,504</u>	<u>46,047,175</u>	<u>169,887</u>	<u>4,232,308</u>	<u>1,854,391</u>	<u>50,279,483</u>
Total for Department Fiscal Year 2007	<u>1,759,960</u>	<u>\$ 48,861,940</u>	<u>185,576</u>	<u>\$ 4,701,486</u>	<u>1,945,536</u>	<u>\$ 53,563,426</u>

(Concluded)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

ANALYSIS OF EMPLOYEE OVERTIME

Fiscal Years Ended June 30, 2007 and 2006

Year Ended June 30, 2006

Central Office/Division	Overtime Hours Paid	\$ Value Overtime Hours Paid	Compensatory Hours Accumulated	\$ Value Of Compensatory Hours Accumulated	Total Overtime & Compensatory Hours	Total \$ Value Of Overtime & Compensatory Hours
Field Level Operations	54,418	\$ 1,865,812	1,667	\$ 44,343	56,085	\$ 1,910,155
Administration and Program Support	5,356	164,520	2,652	74,184	8,008	238,704
Management Information Service	2,990	134,447	1,435	49,396	4,425	183,843
Disability Determination Services Bureau	20,435	788,089	105	3,277	20,540	791,366
Home Services Program	38	1,040	145	3,841	183	4,881
Inspector General	752	23,174	215	6,030	967	29,204
Rehabilitation Service Bureaus	2,250	65,081	2,343	56,551	4,593	121,632
Child Care Services	967	31,364	218	4,805	1,185	36,169
Disability/Behavioral Health Program Administration	261	10,285	742	22,581	1,003	32,866
Addiction Treatment	29	800	266	9,728	295	10,528
Lincoln Developmental Center	253	11,633	-	-	253	11,633
Community and Resident Services for Blind and Visually Impaired	488	20,801	396	11,103	884	31,904
Employment and Social Service Program	58	1,943	7	188	65	2,131
Katrina Disaster	16	344	325	9,275	341	9,619
Behavioral Health and Disabilities	617	23,246	1,066	33,083	1,683	56,329
Community Health	31	833	174	5,205	205	6,038
Community Youth Services	-	-	11	218	11	218
Community Health - Other	8	197	115	3,522	123	3,719
All Other	159	6,772	90	2,881	249	9,653
Total Central Office	89,126	\$ 3,150,381	11,972	\$ 340,211	101,098	\$ 3,490,592

(Continued)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

ANALYSIS OF EMPLOYEE OVERTIME

Fiscal Years Ended June 30, 2007 and 2006

Year Ended June 30, 2006

Facilities	Overtime Hours Paid	\$ Value Overtime Hours Paid	Compensatory Hours Accumulated	\$ Value Of Compensatory Hours Accumulated	Total Overtime & Compensatory Hours	Total \$ Value Of Overtime & Compensatory Hours
Tinley Park Mental Health Center	27,817	\$ 1,163,662	2,261	\$ 56,393	30,078	\$ 1,220,055
Jack Mabley Developmental Center	49,816	1,176,609	2,563	57,572	52,379	1,234,181
Alton Mental Health Center	61,500	1,898,092	6,958	177,693	68,458	2,075,785
Clyde L. Choate Mental Health and Developmental Center	138,322	3,349,787	14,902	387,791	153,224	3,737,578
Chicago Read Mental Health Center	76,614	2,595,597	6,873	207,873	83,487	2,803,470
H. Douglas Singer Mental Health Center	14,461	405,776	5,240	151,183	19,701	556,959
Ann M. Kiley Developmental Center	140,878	3,146,920	779	21,482	141,657	3,168,402
Illinois School for the Deaf	14,334	388,956	30,981	572,772	45,315	961,728
Illinois School for the Visually Impaired	8,004	199,968	15,850	287,338	23,854	487,306
John J. Madden Mental Health Center	61,154	2,075,694	11,942	376,080	73,096	2,451,774
Warren G. Murray Developmental Center	152,802	3,469,366	16,370	322,260	169,172	3,791,626
Elgin Mental Health Center	117,377	3,559,200	22,933	526,322	140,310	4,085,522
Chester Mental Health Center	77,607	2,264,375	5,819	194,849	83,426	2,459,224
Jacksonville Mental Health and Developmental Center	77,129	2,050,580	119	3,555	77,248	2,054,135
Illinois Center for Rehabilitation Education (Roosevelt and Wood)	6,668	197,046	6,484	153,172	13,152	350,218
Andrew McFarland Mental Health Center	18,601	648,447	4,634	121,564	23,235	770,011
Gov. Samuel H. Shapiro Developmental Center	135,995	3,171,134	13,452	250,500	149,447	3,421,634
William W. Fox Developmental Center	58,127	1,319,565	5,385	132,177	63,512	1,451,742
Elisabeth Ludeman Developmental Center	176,310	4,108,325	2,032	47,795	178,342	4,156,120
William A. Howe Developmental Center	220,480	5,265,495	3,588	103,580	224,068	5,369,075
Treatment/Detention Sexually Violent Persons	41,286	1,147,330	6,900	135,266	48,186	1,282,596
Total Facilities	<u>1,675,282</u>	<u>43,601,924</u>	<u>186,065</u>	<u>4,287,217</u>	<u>1,861,347</u>	<u>47,889,141</u>
Total for Department Fiscal Year 2006	<u>1,764,408</u>	<u>\$ 46,752,305</u>	<u>198,037</u>	<u>\$ 4,627,428</u>	<u>1,962,445</u>	<u>\$ 51,379,733</u>

(Concluded)

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

EMERGENCY PURCHASES

Year Ended June 30, 2007

<u>Division</u>	<u>Name</u>	<u>Description</u>	<u>Amount</u>	<u>Actual/ Estimated</u>
Business Services	Tinley Park, Chicago Reed and Choate Mental Health Centers	Technical assistance to reinstate and maintain Medicaid certification	\$ 500,000	Estimated
Business Services	Howe Developmental Center	Technical assistance to reinstate Medicaid certification	580,000	Estimated
Business Services	Choate Mental Health and Development Center	Emergency roof replacement	207,855	Actual
Business Services	Treatment and Detention Facility	Continuum of community-based services for the Conditional Release Program	375,000	Estimated
Business Services	Elgin Mental Health Center	Air conditioning repairs	309,179	Actual
Business Services	State Developmental Centers	Annual surveys of Centers along with reviews of reports of abuse and neglect	30,000	Estimated

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

EMERGENCY PURCHASES

Year Ended June 30, 2006

<u>Division</u>	<u>Name</u>	<u>Description</u>	<u>Amount</u>	<u>Actual/ Estimated</u>
Business Services	Tinley Park Mental Health Center	Housekeeping services for hurricane evacuees	\$ 59,835	Actual
Business Services	Tinley Park Mental Health Center	Meals for hurricane evacuees	29,431	Actual
Business Services	Tinley Park Mental Health Center	Security for hurricane evacuees	27,474	Actual
Business Services	Elgin Mental Health Center	Repair roof at FTP building	57,300	Actual
Business Services	Choate Mental Health Center	Boiler repair	350,000	Estimate
Business Services	Central Office	Consultants to develop plan to ensure State's compliance with ADA and decision in Olmstead v. L.C. case	50,000	Actual
Business Services	Central Office	Consultants to continue plan ensuring State's compliance with ADA and decision in Olmstead v. L.C. case	25,000	Actual
Business Services	Katrina Clients Statewide	Case management services to evacuees	5,181,070	Actual
Business Services	Alton Mental Health Center	CNA services to hurricane evacuees	66,481	Actual
Business Services	Alton Mental Health Center	Elevator repairs & maintenance at building for hurricane evacuees	4,950	Actual

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

EMERGENCY PURCHASES

Year Ended June 30, 2006

<u>Division</u>	<u>Name</u>	<u>Description</u>	<u>Amount</u>	<u>Actual/ Estimated</u>
Business Services	Alton Mental Health Center	Meals for hurricane evacuees	\$ 71,966	Actual
Business Services	Alton Mental Health Center	Security for hurricane evacuees	48,127	Actual
Business Services	Alton Mental Health Center	Housekeeping services for evacuees	5,234	Actual
Business Services	Alton Mental Health Center	Electrician services at Willow Building for hurricane evacuees	8,195	Actual
Business Services	Alton Mental Health Center	Plumbing services at Willow Building for hurricane evacuees	4,654	Actual
Business Services	Rehabilitation Services	Hearing Officers for HSP appeals	120,000	Estimated
Business Services	Rehabilitation Services	Additional Hearing Officers for HSP	120,000	Estimated
Business Services	Illinois School for the Deaf	Purchase of new compressor	90,692	Actual
Business Services	Murray Developmental Center	Repair underground conduit and wiring	150,530	Actual
Business Services	Shapiro Developmental Center	Replacement of electrical line	60,070	Actual
Business Services	Murray Developmental Center	Purchase of coal	84,375	Actual

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

EMERGENCY PURCHASES

Year Ended June 30, 2006

<u>Division</u>	<u>Name</u>	<u>Description</u>	<u>Amount</u>	<u>Actual/ Estimated</u>
Business Services	Choate Mental Health Center	Replacement of A/C unit	\$ 62,226	Actual
Business Services	Singer Mental Health Center	Housekeeping services for hurricane evacuees	17,586	Actual
Business Services	Singer Mental Health Center	Meals for hurricane evacuees	20,001	Actual
Business Services	Singer Mental Health Center	CNA services to hurricane evacuees	45,652	Actual

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES

MEMORANDUMS OF UNDERSTANDING

Year Ended June 30, 2007
(Unaudited)

Recipient Name	MOU Award	Expenditures Through June 30, 2007	Award Balance As of June 30, 2007	Award Description
ACT (Anixter Center)	\$ 200,000	\$ 200,000	\$ -	Costs associated with the ACT program
Alivio Medical Center	500,000	500,000	-	Quality Medical, Dental & Health Care Initiatives
Arden Shore	307,480	307,480	-	C & A Latino Comm Services for MH Program
Assistive Technology Grant (Illinois Assistive Technology)	250,000	250,000	-	Services to Rehab Service Clients
CALOR	25,000	25,000	-	Planning & Coordination of Health Services to Latins with HIV/AIDS
Chicago Area Project	400,000	400,000	-	Comprehensive Family Support Initiatives
Counseling Center of Lakeview	90,000	90,000	-	Adult Day Services
Easter Seals Society	50,000	50,000	-	Comprehensive Services for Individuals/Families with Disabilities
Edwin Feldman Developmental Center - Puetes Project	208,000	208,000	-	Demonstration Project
Family and Community Development	200,000	200,000	-	Comprehensive Family Assistance and Case Management
Family Focus	150,000	150,000	-	Youth Educational & Family Support Initiatives
Foundation for Autism Services Today and Tomorrow	75,000	75,000	-	DHS Dev Disab Community Grant Demonstration Projects
Glenkirk	300,000	300,000	-	DHS Dev Disab Community Grant Demonstration Projects
Guild for the Blind	100,000	100,000	-	Services for Blind Rehab Clients
Guildhaus of Blue Island	20,000	20,000	-	Alcoholism and Substance Abuse Treatment Facility
Healthcare Alternative Systems, Inc.	100,000	100,000	-	Alcoholism and Substance Abuse Treatment Global
Healthcare Alternative Systems, Inc.	200,000	200,000	-	Alcoholism and Substance Abuse Treatment Global
Helping Hands	100,000	100,000	-	Costs associated with an autism program
Highland Park Community Nursery School & Day Care Center	70,000	60,078	9,922	Family and Child Care Services
Holy Cross Immaculate Heart of Mary Church	150,000	150,000	-	Comprehensive Youth Development Initiatives
Housing Choice Partners	10,000	10,000	-	HCP of Illinois to serve Families with Housing Counseling Services
Humboldt Park	25,000	Not Available	Not Available	Community Revitalization Organization
Illinois Coalition for Community Services	100,000	Not Available	Not Available	Community Development & Youth and Family Counseling
Increase for Home based care (DSCC)	1,000,000	Not Available	Not Available	In-home Medical Care for Children
Irving Park Food Pantry	50,000	50,000	-	Emergency Food & Shelter Program
Jobs for Youth Chicago	1,000,000	Not Available	Not Available	Youth Job Initiatives and Support
Lakeview Food Pantry	25,000	25,000	-	Emergency Food & Shelter Program
Metropolitan Family Services	100,000	100,000	-	Comprehensive Family Assistance
Minnie Riperton Apartments	5,000	Not Available	Not Available	Senior Housing Program
Mujeres Latina in Action	150,000	150,000	-	Comprehensive Children & Youth Initiatives
National Lekotek Services	50,000	Not Available	Not Available	Comprehensive Services for Children with Disabilities
Northern Suburban Special Recreation Association (NSSRA)	100,000	100,000	-	Funding for the Enriched Lifestyles for Adults (ELA) program
O'Fallon Township	50,000	50,000	-	Emergency Food and Shelter Program
Planned Parenthood of East Central Illinois	-	-	-	Sexual Health Care Services and Education
Progress Center for Independent Living	25,000	25,000	-	Services for Rehab Service Clients
Shore Community Services, Inc.	25,000	25,000	-	Demonstration Special Project for DHS DEV DISAB Community Grant
South East Alcohol and Drug Abuse Center	25,000	25,000	-	Alcoholism and Substance Abuse Treatment
Teen Living Programs	50,000	50,000	-	Support Services for the RESI of Belfort House

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES

MEMORANDUMS OF UNDERSTANDING

Year Ended June 30, 2007
(Unaudited)

Recipient Name	MOU Award	Expenditures Through June 30, 2007	Award Balance As of June 30, 2007	Award Description
Thresholds Psychiatric Rehabilitation Centers	490,000	490,000	-	Quarterly Payment for MH Reintegration Project
TRI-CON Child Care Center	\$ 30,000	\$ Not Available	\$ Not Available	Family and Child Care Services
Velvet Bird Cage	25,000	Not Available	Not Available	Homelessness Services for Mothers and Children
Vision of Restorations	50,000	Not Available	Not Available	Comprehensive and Rehabilitative Programs for Families
Weissbourd-Holmes Family Focus Center	-	Not Available	Not Available	Family Support Services
West Suburban PADS	25,000	25,000	-	Food & Shelter Services for the Homeless
Women's Treatment Center	15,000	15,000	-	Alcoholism & Substance Abuse Treatment Global
World Relief-Chicago	100,000	Not Available	Not Available	Refugee and Immigrant Services

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES

MEMORANDUMS OF UNDERSTANDING

Year Ended June 30, 2006
(Unaudited)

Recipient Name	MOU Award	Expenditures Through June 30, 2006	Award Balance As of June 30, 2006	Award Description
Alivio Medical Center	\$ 552,240	\$ 552,240	\$ -	Quality Medical, Dental & Health Care Initiatives
Anixter (ACT Program)	182,500	182,500	-	Costs associated with the ACT program
Blue Gargoyle Community Services	25,000	22,708	2,292	Family learning programs and employment programs
Carpenter's Place (Linhowe Ministries)	50,000	50,000	-	Cost associated with services for the Homeless
Catholic Charities	69,612	34,806	34,806	Supportive housing program
Centro Romero Community Organization	50,000	30,000	20,000	Higher Academic Level Initiatives
Chester Mental Health Facility	-	-	-	Hire 38 additional frontline workers
Chicago Youth Centers	25,000	Not Available	Not Available	After-school youth services
Choate Development Center	-	-	-	Hire 7 additional frontline workers
Counseling Center of Lakeview	100,000	100,000	-	Mental Health Community Grant
Early Reach - UIC/CPS Prep Program	200,000	-	200,000	General Operating Expenses
Erie Family Health Center	125,000	125,000	-	Services to non citizens and free health care for the uninsured
Esperanze School	250,000	-	250,000	Services for the developmentally disabled
Family Focus/Pregnancy Prevention	36,000	36,000	-	Teen Pregnancy Prevention-Primary
Food Pantry of Rich Township	185,000	185,000	-	Maintain operations for the food pantry
Future Understanding Toward an Ultimate Remedy Through Education (F.U.T.U.R.E.)	30,000	30,000	-	After-school youth services
Garden Center	60,000	60,000	-	Operational expenses related to services provided to the developmentally disabled
Gilead Outreach Referral Center	250,000	Not Available	Not Available	Healthcare Outreach & Enrollment
Girl Scouts Crossroads Program	60,000	60,000	-	After-school youth services
Good Hope	103,000	31,200	71,800	After-school youth services
Gwendolyn Brooks School	25,000	25,000	-	After-school youth services
Heartland Alliance	185,000	184,997	3	Immigrant Citizenship Service
Helping Hands	100,000	100,000	-	Costs associated with an autism program
Howard Area Community Center in Chicago	140,000	134,910	5,090	Teen Reach Program
Hyde Park Art Center	25,000	25,000	-	After-school youth services
Hyde Park Neighborhood Club	25,000	25,000	-	After-school youth services
Jubilee Center of Shelter Care Ministries	50,000	50,000	-	Cost associated with services for the Homeless
Lakeside Community Committee	100,000	50,000	50,000	After-school youth services
Link Option's Center	-	-	-	Completed through existing contract
Local Motions	25,000	25,000	-	After-school youth services
Mad Dads	50,000	50,000	-	After-school youth services
Mary Brown Center (Leslie Bates)	250,000	250,000	-	Social service programming
Metropolitan Apostolic Community Church	150,000	150,000	-	After-school youth services
Northern Suburban Special Recreation Association	100,000	100,000	-	Funding for the Enriched Lifestyles for Adults (ELA) program
Orchard Village (in conjunction with the DCEO)	30,000	30,000	-	Vocational services and job coaching programs
Pleasant Valley Church	50,000	50,000	-	Prevention programs
Prairie Center Health Systems, Inc.	100,000	Not Available	Not Available	Addiction treatment services
Project Hope	10,000	10,000	-	After-school youth services
Rhema Word	50,000	50,000	-	After-school youth services
Rosecrance Inc.	100,000	Not Available	Not Available	Costs associated with Addiction Treatment Services
Sequin Services Inc.	100,000	100,000	-	Supported Employment
South East Alcohol and Drug Abuse Center	25,000	25,000	-	Costs associated with addiction services

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
MEMORANDUMS OF UNDERSTANDING

Year Ended June 30, 2006
(Unaudited)

Recipient Name	MOU Award	Expenditures Through June 30, 2006	Award Balance As of June 30, 2006	Award Description
South Side/Wabash YMCA	\$ 25,000	\$ 25,000	\$ -	After-school youth services
St. John Holiness	50,000	50,000	-	After-school youth services
Tazewell/Fulton County Offices	-	Not Available	Not Available	Department of Human Services will not close its Tazewell or Fulton County Offices
Truth and Deliverance	50,000	50,000	-	After-school youth services
Waukegan Township	48,833	25,919	22,914	Emergency Food & Shelter Program, \$3,000 specifically for Sprinkler System and carpet
Women's Resource Assistance Program	100,000	24,900	75,100	After-school youth services
Woodlawn East Community and Neighbors, Inc.	25,000	25,000	-	After-school youth services

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES

HURRICANE KATRINA ASSISTANCE

For the Fiscal Years Ended June 30, 2007 and 2006

(Unaudited)

Cost of Services Provided:	Fiscal Year	
	2006	2007
Immediate Service Program		
Payments to Vendors	\$ 131,356	\$ -
Expense Reimbursement to Employees	5,197	-
	136,553	-
Regular Services Program		
Payroll	139,076	327,383
Payments to Vendors	92,251	144
Expense Reimbursement to Employees	7,706	29,508
Payroll Related Costs	10,716	25,359
Professional/Artistic Services	2,310	-
Contractual Services	-	1,527
	252,059	383,921
Social Services Block Grant	127,929	385,763
Amounts Submitted to Illinois Emergency Management Agency for Reimbursement:		
Shelter Related Expenses	1,119,027	-
Amounts Paid Directly by Illinois Emergency Management Agency		
Payroll	524,275	-
Payroll Related Costs	80,968	-
	605,243	-
Total Amounts:	\$ 2,240,811	\$ 769,684

**STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES**

**SERVICE EFFORTS AND ACCOMPLISHMENTS
(Unaudited)**

Fiscal Years Ended June 30, 2007 and 2006

OFFICE OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES

The following service efforts and accomplishments have been accumulated for the years ended June 30, 2007 and 2006. (All amounts are in thousands except for average cost per day):

	<u>Mental Health</u>		<u>Developmental Disabilities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Accumulated costs	\$ 311,434	\$ 295,438	\$ 348,981	\$ 331,846	\$ 660,415	\$ 627,284
Allocated overhead	21,560	19,057	23,676	21,733	45,236	40,790
Less:						
Extramural services	486	605	4	52	490	657
Clothing	302	237	170	210	472	447
Donated commodities	10	-	-	14	10	14
Miscellaneous income	<u>80</u>	<u>79</u>	<u>12</u>	<u>14</u>	<u>92</u>	<u>93</u>
Total costs	332,116	313,574	372,471	353,289	704,587	666,863
Patient days	<u>551</u>	<u>563</u>	<u>880</u>	<u>918</u>	<u>1,431</u>	<u>1,481</u>
Average cost per day	<u>\$ 603</u>	<u>\$ 557</u>	<u>\$ 423</u>	<u>\$ 385</u>	<u>\$ 492</u>	<u>\$ 450</u>

Activities and Performance

	<u>FY'03</u> <u>Actual</u>	<u>FY'04</u> <u>Actual</u>	<u>FY'05</u> <u>Actual</u>	<u>FY'06</u> <u>Actual</u>	<u>FY'07</u> <u>Actual</u>
Developmental Disabilities Services					
Residents in State facilities	2,935	2,873	2,758	2,670	2,539
Staff to resident ratio	1.80	1.80	1.70	1.80	1.80
Admissions to State facilities	149	137	80	91	102
Discharges readmitted within 1 year (%)	41	27	18	21	16
Medicaid waiver recipients	9,868	10,077	12,600	13,600	14,121
Residents in community residential settings	16,696	16,925	19,428	20,438	20,839
Mental Health Services					
Residents in State facilities	1,410	1,369	1,402	1,322	1,373
Staff to resident ratio	2.30	2.30	1.90	1.87	1.88
Admissions to State facilities	9,625	9,609	10,190	11,421	11,349
Discharges readmitted within 30 days (%)	8.8	9.5	11.0	15.0	10.0
Individuals with 3 or more admissions	569	536	592	639	630

Mission and Organization

The mission of the Illinois Department of Human Services (DHS) is to assist customers to achieve maximum self-sufficiency, independence and health through the provision of seamless, integrated services for individuals, families and communities.

DHS strives to improve the quality of life of Illinois families by providing an array of services through: community health and prevention programs, programs for persons with developmental disabilities, mental illness, or substance abuse problems, employment, training, and independent living programs for persons with disabilities, and financial support, employment and training programs, and child care, and other family services for low-income families.

DHS serves Illinois families through the following main programs:

Alcoholism and Substance Abuse Services – DHS is charged with designing, coordinating, funding and licensing a comprehensive and coordinated community-based and culturally and gender-appropriate array of services throughout the state for the prevention, intervention, treatment and recovery of alcohol and other drug abuse and dependency. This system addresses the needs of at-risk or addicted individuals and their families.

Community Health and Prevention Services – Through community-based prevention efforts and selected services in the areas of health, family support, youth development, substance abuse prevention and violence prevention and intervention, the division promotes and improves the health status, self-sufficiency and integrity of families in Illinois.

Developmental Disabilities Services – An extensive array of services and supports are provided for individuals with developmental disabilities to enable them to reside with their families or in other community living situations, and to develop functional and occupational skills. DHS funds over 340 community service providers, over 300 private Intermediate Care Facilities for individuals with developmental disabilities, and 9 state-operated developmental centers that provide residential services to individuals with developmental disabilities and offer services and supports to individuals in community living environments.

Mental Health Services – Services are provided in accredited and certified mental health centers by appropriately credentialed mental health professionals, including licensed physicians, board-certified psychiatrists, licensed clinical psychologists, licensed clinical social workers, licensed counselors, and registered nurses. They are assisted by para-professionals who are directly supervised by mental health professionals. All services are intended to identify and treat individuals who are diagnosed with mental illnesses/emotional disorders and co-occurring mental illness and substance abuse disorders.

Human Capital Development – In addition to cash assistance, Food Stamps, and medical programs, the Division of Human Capital Development (DHCD) provides access to many other programs and services for the residents of Illinois, such as Child Care, Homeless Services, Employment & Training, Refugee Services, and the Donated Funds Initiative/SSBG programs. DHCD staff help clients find services provided by other DHS divisions, state agencies, and local communities.

Rehabilitation Services – is the state's lead agency serving individuals with disabilities. The Division works in partnership with people with disabilities and their families to assist them in making informed choices to achieve full community participation through employment, education, and independent living opportunities.

DHS delivers services directly through nearly 200 local offices and in partnership with a network of local providers that reach every part of Illinois.

DHS estimates its services touch the lives of one out of five Illinois citizens in the course of a year.

Developmental Disabilities – Community & Facility Services

	<u>Fiscal Year 2005 Actual</u>	<u>Fiscal Year 2006 Actual</u>	<u>Fiscal Year 2007 Actual</u>
<u>Input Indicators</u>			
• Total expenditures – all sources (in thousands)	\$ 1,294,200.2	\$ 1,315,853.2	\$ 1,351,862.4
• Total expenditures – state appropriated funds (in thousands)	\$ 1,294,200.2	\$ 1,315,853.2	\$ 1,351,862.4
• Average monthly full-time equivalents	5,042.4	4,994.0	4,890.0
<u>Output Indicators</u>			
• Number of individuals served in waiver settings ^(a)	12,600	13,600	14,121
• Number of individuals served in private Intermediate Care Facilities and Mental Retardation facilities (ICF/MR), including Skilled Nursing Facility/Pediatrics	6,828	6,838	6,718
• Number of individuals served in SODC's ^(b)	2,758	2,670	2,539
<u>Outcome Indicators</u>			
• Percent reduction in end of year census in large state Mental Retardation/Developmental Disabilities (MR/DD) facilities	3%	3.2%	4.9%
• Persons receiving developmental services as a percent of the estimated number of persons with a diagnosis of a developmental disability	19.4%	18.2%	19.9%
<u>External Benchmarks</u>			
• Community provider agencies accredited by a national body	100%	100%	100%
• SODC's accredited by a national body	100%	100%	100%
<u>Efficiency/Cost-Effectiveness Indicators</u>			
• Percent of Medicaid revenue generated by DD community services as a percent of total DD community services expenditures ^(c)	61.1%	64.4%	65.8%
• Percent of all DD Medicaid & ICFDD claiming as a percent of DD community & ICFDD spending	82.1%	82.9%	83.8%
• Average length of stay in SODC's in years	18.0	18.0	18.9
<u>External Benchmarks</u>			
• Staff to resident ratio ^(d)	1.7	1.8	1.8

Footnotes

- (a) The waiver is a federal agreement that allows the State of Illinois to be reimbursed through the Medicaid program for covered service providers.
- (b) Metric data are obtained from service providers through the Reporting of Community Services (ROCS) database. ROCS collects and tracks all billing and reporting for services delivered by developmental disabilities service providers. The number of people served per quarter is dependent upon provider input (service reporting and billing) and is only as accurate as that input. In addition, ROCS allows services to be billed or reported in both the current state fiscal year and previous state fiscal year. For these reasons, quarterly data may underreport actual service levels during the quarter, because only services successfully reported or billed for the quarter are included.
- (c) Community services, in this instance, does not include ICF/DD. It does include all other community spending whether or not covered under the Medicaid waiver.
- (d) Since 2002, a series of statewide early retirement initiatives (ERI's) and tight state budgets have resulted in difficulty for DHS in filling vacancies of SODC staff leaving state service due to ERI's. These factors have impacted unfavorably both the SODC staff-to-resident ratio and overtime costs.

Human Capital Development

	<u>Fiscal Year 2005 Actual</u>	<u>Fiscal Year 2006 Actual</u>	<u>Fiscal Year 2007 Actual</u>
<u>Input Indicators</u>			
• Total expenditures – all sources (in thousands)	\$ 1,215,391.7	\$ 1,201,853.8	\$ 1,176,648.0
• Total expenditures - state appropriated funds (in thousands)	\$ 1,215,391.7	\$ 1,201,853.8	\$ 1,176,648.0
• Average monthly full-time equivalents	3,531.4	3,458.6	3,455.5
<u>Output Indicators</u>			
• Total number of Family Health Plan applications disposed timely	137,756	138,309	145,186
• Total number of Family Health Plan applications approved	87,826	85,680	83,820
• Total number of Medical Assistance No Grant (MANG) Aid to the Aged, Blind and Disabled (AABD) applications approved	66,707	68,811	68,078
• Total number of MANG AABD applications disposed timely	134,777	144,618	160,488
• Total number of TANF customers canceled due to earnings	7,036	8,569	9,216
• Average number of TANF families engaged each month (Fed. participation rate)	7,149	8,634	6,566
• Average monthly TANF ATW caseload	18,666	18,472	15,070
• Total average monthly TANF caseload	41,439	41,095	36,036
• The average number of cases/families served through the Child Care program per month	98,667	104,572	96,390
• Number of children served through the Child Care program - avg. month	197,334	192,471	176,359
• Total number of customers served through the Refugee Social Service program	4,500	5,303	3,335
• Total number of Refugees and Immigrants receiving citizenship assistance	12,763	13,532	12,366
• Total number of Refugees and Immigrants receiving Outreach and Interpretation services	29,731	48,371	46,565
• Total number of Nights in Shelters (in thousands)	1,700	1,900	1,555
• Total number of Children served through the Crisis Nursery program	951.0	1,086	939.0
• Total number of Seniors accessing services through the Donated Funds Initiative program	6,101	6,172	6,480

	<u>Fiscal Year 2005 Actual</u>	<u>Fiscal Year 2006 Actual</u>	<u>Fiscal Year 2007 Actual</u>
<u>Outcome Indicators</u>			
• Timely local office disposition of Family Health Plan applications	94%	95.7%	97.3%
• Timely disposition of MANG AABD applications	78%	80.5%	83.3%
• Federal Q.C. payment error rate (FFY)	6.57%	5.32%	5.7%
• Average monthly percentage of the TANF ATW csld. canceled due to earnings	3.1%	3.9%	5.2%
• Average percentage of the TANF ATW csld. meeting the Federal Work Requirement for all families	52.4%	52.55%	68%
• Percent of families eligible for child care services served	100%	100%	100%
• Number of wage bonuses provided to child care workers	7,045	8,253	8,863
• Percent of Contracted Unsubsidized Job Placements in Food Stamp Employment & Training (FSE&T) contracts	136%	127%	76%
• Percent of Contracted Unsubsidized Job Placements in TANF contracts	109%	82%	52%
• Percent of Work First Placements	135%	92%	81%
• Percent of caregivers reporting decreased risk of maltreatment	98%	96%	95%
• Percent of caregivers reporting decreased level of stress	90%	94%	91%
<u>External Benchmarks</u>			
• Federal work participation rate for all families	50%	50%	58.3%
<u>Efficiency/Cost-Effectiveness Indicators</u>			
• Percent of AABD MANG & FS application disposed timely	91.2%	92.2%	83.3%
• Federal Q.C. Food Stamp Payment Accuracy (FFY) ^(a)	93.43%	94.68%	94.1%
• Average cost per Child Care case/family – avg. month (in dollars)	\$ 519.00	\$ 486.08	\$ 491.62
• Average Child Care cost per child – per month (in dollars)	\$ 256.00	\$ 243.08	\$ 269.84
• Homeless Prevention - avg. quarterly cost per household (in dollars)	\$ 530.00	\$ 563.00	\$ 775.00

Footnotes

^(a) Data for FFY07 is preliminary.

Mental Health – Community & Facility Services

	<u>Fiscal Year 2005 Actual</u>	<u>Fiscal Year 2006 Actual</u>	<u>Fiscal Year 2007 Actual</u>
<u>Input Indicators</u>			
• Total expenditures - all sources (in thousands)	\$ 632,467.6	\$ 643,810.2	\$ 663,064.2
• Total expenditures - state appropriated funds (in thousands)	\$ 632,467.6	\$ 643,810.2	\$ 663,064.2
• Average monthly full-time equivalents	2,920.4	2,770.9	2,712.7
<u>Output Indicators</u>			
• Number of individuals served in DHS/DMH Assertive Community Treatment (ACT) program	3,519	3,294	3,597
• Number of juveniles found eligible for mental health juvenile justice services	714.0	736.0	494.0
<u>Outcome Indicators</u>			
• Percent of re-admissions to state hospitals within 30 days of discharge	9%	15%	13%
• Percent of presentations to state hospitals that receive a pre-admission screening for less restrictive alternatives prior to admission	91%	91%	92%
• Percent of individuals on antipsychotics treated with new generation antipsychotic drugs	90.2%	88.2%	92%
<u>Efficiency/Cost-Effectiveness Indicators</u>			
• Staff to patient ratio in state hospitals	1.9	1.9	1.9

Maternal & Child Health

	<u>Fiscal Year 2005 Actual</u>	<u>Fiscal Year 2006 Actual</u>	<u>Fiscal Year 2007 Actual</u>
<u>Input Indicators</u>			
• Total expenditures - all sources (in thousands)	\$ 413,422.9	\$ 415,811.0	\$ 423,774.0
• Total expenditures - state appropriated funds (in thousands)	413,422.9	\$ 415,811.0	\$ 423,774.0
• Average monthly full-time equivalents	163.5	173.8	175.6
<u>Output Indicators</u>			
• Number of pregnant women and infants enrolled in Family Case Management (FCM)	282,840	285,459	292,302
• Number of 0-2 year olds who received immunizations	249,859	253,781	267,827
• Number of FCM participant births	60,947	62,009	65,065
• Number of WIC participant births	65,243	65,333	68,838
• Number of WIC food coupons issued	11,449,565	12,000,000	12,000,000
• Number of family planning recipients	N/A	147,925	138,264
• Number of adolescents receiving Family Planning services	N/A	40,302	36,988
• Number of low income women receiving Family Planning services ^(a)	N/A	130,640	129,287
<u>Outcome Indicators</u>			
• Proportion of clients receiving prenatal care in the first trimester - WIC and FCM	79.1%	79.2%	80.1%
• Proportion of post-partum clients breast-feeding	63%	64.2%	65.1%
• Proportion of FCM and/or WIC one year old recipients that are fully immunized ^(b)	89.9%	89.9%	85.3%
• Infant mortality rate per 1,000 births	7.2	7.3	7.2
• Very low birth weight rate per 1,000 births	1.4	1.4	1.6
• Births to 15-19 year olds per 1,000 women ages 15-19 years	40.3	39.6	38.0
• Percent of live births to 15-19 year olds	9.5%	9.7%	9.5%
<u>External Benchmarks</u>			
• National 1st trimester goal	90%	90%	90%
• National infant mortality rate per 1,000 births (c)	6.9	6.8	6.9
• National birth rate of teen-aged women (15-19 years)	41.6	41.2	40.4

Efficiency/Cost-Effectiveness Indicators

- Dollars saved in medical care by providing prenatal care (FCM & WIC) (in millions) \$ 214.2 \$ 216.9 \$ 308.2
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Footnotes

- (a) Low income equals up to 200% Federal Poverty level (FPL).
- (b) Reporting criteria were revised in fiscal year 2007. The immunization age criterion was altered so that both the WIC and FCM programs could share the same indicator. Previously the indicator looked at children ages 12 to 23 months. The FCM program used ages 10 to 18 months, the revised criteria uses ages 12 to 18 months.
- (c) Data reported for fiscal year 2007 actual is the calendar year 2005 preliminary rate from the Center for Disease Control and Prevention (CDCP) National Center for Health Statistics (NCHS).

Home Services

	<u>Fiscal Year 2005 Actual</u>	<u>Fiscal Year 2006 Actual</u>	<u>Fiscal Year 2007 Actual</u>
<u>Input Indicators</u>			
• Total expenditures - all sources (in thousands)	\$ 355,566.6	\$ 375,746.6	\$ 403,075.4
• Total expenditures - state appropriated funds (in thousands)	\$ 355,566.6	\$ 375,746.6	\$ 403,075.4
• Average monthly full-time equivalents	94.5	86.5	87.3
<u>Output Indicators</u>			
• Persons with disabilities receiving in-home services to prevent institutionalization	32,549	35,916	36,858
• New service plans developed	6,021	4,858	5,144
<u>Outcome Indicators</u>			
• Persons moved out of nursing homes	136.0	87.0	85.0
<u>Efficiency/Cost-Effectiveness Indicators</u>			
• Average monthly cost of in-home services per client (in dollars)	\$ 1,073.00	\$ 1,082.00	\$ 1,144.00

Addiction Treatment and Related Services

	<u>Fiscal Year 2005 Actual</u>	<u>Fiscal Year 2006 Actual</u>	<u>Fiscal Year 2007 Actual</u>
<u>Input Indicators</u>			
• Total expenditures - all sources (in thousands)	\$ 218,770.4	\$ 237,695.2	\$ 240,919.2
• Total expenditures - state appropriated funds (in thousands)	\$ 218,770.4	4 237,695.2	\$ 240,919.2
• Average monthly full-time equivalents	18.4	55.3	55.4
<u>Output Indicators</u>			
• Number of discharges classified as "positive" (transfers, completions etc.)	49,220	53,614	57,400
• Number of unduplicated patients served (patient service data)	90,725	91,719	88,947
• Estimated number of individuals in prevalence population	1,577,818	1,577,818	1,577,818
• Annual desired treatment capacity	256,676	256,676	256,676
<u>Outcome Indicators</u>			
• Percentage of discharges classified as "positive" (transfers, completions etc)	61.3%	61.3%	59%
• Unduplicated clients served as a percent of the desired capacity (patient service data)	38%	38.75%	37.6%
<u>Efficiency/Cost-Effectiveness Indicators</u>			
• There is a \$7.00 savings to the State of Illinois for every \$1.00 spent on treatment (in billions)	\$ 1.5	\$ 1.8	\$ 1.5
• There is a savings of between \$250,000 and \$500,000 for every drug-free baby born (in millions)	\$ 22.2	\$ 22.2	\$ 35.0

Early Intervention

	<u>Fiscal Year 2005 Actual</u>	<u>Fiscal Year 2006 Actual</u>	<u>Fiscal Year 2007 Actual</u>
<u>Input Indicators</u>			
• Total expenditures - all sources (in thousands)	\$ 187,478.2	\$ 177,666.3	\$ 190,648.7
• Total expenditures - state appropriated funds (in thousands)	\$ 187,478.2	\$ 177,666.3	\$ 190,648.7
• Average monthly full-time equivalents	10.4	12.3	12.5
<u>Output Indicators</u>			
• Family fees (in thousands)	\$ 3,547.2	\$ 3,954.6	\$ 3,914.0
• Number of service coordinators in provider agencies	358.2	381.7	391.3
• Amount of federal reimbursement for IDEA Part C (in thousands)	\$ 25,119.4	\$ 36,972.0	\$ 30,242.7
• Amount of federal Medicaid reimbursement (in thousands)	\$ 26,313.1	\$ 27,476.8	\$ 36,231.2
• Number of new initial (Individualized Family Service Plans) IFSP's developed	15,805	16,270	17,099
• Number of children who have IFSP's	16,647	17,023	17,936
<u>Outcome Indicators</u>			
• Percentage of clients receiving IFSP's prior to first birthday	27.3%	26.5%	27%
• Percentage of children who are under age 3 who are served	3%	3.14%	3.3%
• Percentage of children under age 1 who are served	1.21%	1.21%	1.3%
• Percentage of children who are leaving at age 3 who are special education eligible or getting other referral	83.4%	77.5%	77.8%
• Percentage of children receiving services who are under age 1	13.1%	12.8%	13.1%
<u>External Benchmarks</u>			
• Percentage of children under age 1 who are served	1%	1%	1%
• National percentages of children under the age of 3 who are served	2%	2%	2%

Vocational Rehabilitation

	<u>Fiscal Year 2005 Actual</u>	<u>Fiscal Year 2006 Actual</u>	<u>Fiscal Year 2007 Actual</u>
• Total expenditures - all sources (in thousands)	\$ 101,869.5	\$ 91,930.5	\$ 93,142.3
• Total expenditures - state appropriated funds thousands)	\$ 101,869.5	\$ 91,930.5	\$ 93,142.3
• Average monthly full-time equivalents	609.2	555.7	533.3
<u>Output Indicators</u>			
• New applications taken	17,076	16,685	16,714
• New service plans developed	9,086	8,466	8,870
<u>Outcome Indicators</u>			
• Persons in supported employment	2,851	2,589	2,506
• Persons competitively employed	5,875	4,957	5,230
• Rehabilitation rate (success rate)	55.5%	57.7%	61.8%
• Average hourly wage earned by Vocational Rehabilitation customers (in dollars)	\$ 9.01	\$ 9.43	\$ 9.41
<u>Efficiency/Cost-Effectiveness Indicators</u>			
• Average lifetime cost per rehabilitation (in dollars)	\$ 3,215.00	\$ 3,425.00	\$ 3,973.00

Youth Services

	<u>Fiscal Year 2005 Actual</u>	<u>Fiscal Year 2006 Actual</u>	<u>Fiscal Year 2007 Actual</u>
<u>Input Indicators</u>			
• Total expenditures - all sources (in thousands)	\$ 62,577.4	\$ 55,970.1	\$ 57,403.0
• Total expenditures - state appropriated funds (in thousands)	\$ 62,577.4	\$ 55,970.1	\$ 57,403.0
• Average monthly full-time equivalents	18.0	9.0	8.0
<u>Output Indicators</u>			
• Number of Comprehensive Community-Based Youth Services recipients ^(a)	18,000	10,000	10,000
• Number of Unified Delinquency Intervention Service recipients ^(a)	980.0	800.0	800.0
<u>Outcome Indicators</u>			
• Proportion of CCBYS and UDIS recipients that are assessed to be at high risk of delinquency	42%	42%	41%
• Proportion of CCBYS and UDIS recipients whose cases are closed due to family reunification (or successful completion) ^(b)	37%	49%	81%

Footnotes

^(a) Client figures for both CCBYS and UDIS continue to be estimates. However, recent reports indicate that the reported numbers of clients are very close to, if not almost exactly, the figures estimated. The e-Cornerstone data system continues to make improvements in collecting client data. However, until the system and data-entry procedures are standardized, estimates are the best client count available.

^(b) The 2007 figure is far higher than the reported 2006 actual or the 2007 projected. This is due to improvements in data reporting as well as a better definition of "success" for the CCBYS program for enrolled clients. The Actual for fiscal year 2006 is also higher - 81% - under this new reporting environment. The Illinois Collaboration on Youth (ICOY) has a target goal of 85% for its member agencies in this measure, so the reported 81% actual outcomes for both fiscal year 2006 and 2007 is not far from its intended target.

Substance Abuse Prevention

	<u>Fiscal Year 2005 Actual</u>	<u>Fiscal Year 2006 Actual</u>	<u>Fiscal Year 2007 Actual</u>
<u>Input Indicators</u>			
• Total expenditures - all sources (in thousands)	\$ 24,109.5	\$ 24,891.3	\$ 25,321.8
• Total expenditures - state appropriated funds (in thousands)	\$ 24,109.5	\$ 24,891.3	\$ 25,321.8
<u>Output Indicators</u>			
• Number of hours of Substance Abuse Prevention (SAP) activities ^(a)	322,747	313,651	265,216
• Number of Teen REACH participants ^(b)	18,000	26,537	29,452
<u>Outcome Indicators</u>			
• Proportion of 10th grade children reporting use of marijuana in the past month.	N/A	18.7%	N/A
• Mean age at first use (12th grade children only) of marijuana	N/A	14.6	N/A
• Proportion of 10th grade children reporting use of alcohol in the past month	N/A	42.6%	N/A
• Mean age at first use (12th grade children only) of alcohol	N/A	14.2	N/A
<u>External Benchmarks</u>			
• National proportion of 10th grade children reporting use of marijuana in the past month ^(a)	15.2%	14.2%	N/A
• National proportion of 10th grade children reporting use of alcohol in the past month	33.2%	33.8%	N/A

Footnotes

- ^(a) The In-Touch System, which is a component of Substance Abuse Prevention (SAP), went through a transition in fiscal year 2007 and has not been required to report its activities. Therefore, the actual reported figure is not a true representation of the work being done in SAP.
- ^(b) Due to more than 1/4 fewer providers in the program for fiscal year 2008, there will be fewer youth served by Teen REACH. The number reflects about a 28% reduction in youth served and recorded in the e-Cornerstone system.

Sexually Violent Persons Program

	<u>Fiscal Year 2005 Actual</u>	<u>Fiscal Year 2006 Actual</u>	<u>Fiscal Year 2007 Actual</u>
<u>Input Indicators</u>			
• Total expenditures - all sources (in thousands)	\$ 17,446.9	\$ 18,838.2	\$ 22,009.8
• Total expenditures - state appropriated funds (in thousands)	\$ 17,446.9	\$ 18,838.2	\$ 22,009.8
• Average monthly full-time equivalents	158.5	155.7	186.5
<u>Output Indicators</u>			
• Number of detainees and sexually violent persons in the TDF	245.0	271.0	307.0
<u>Outcome Indicators</u>			
• Return Rate of individuals who are conditionally released from the TDF	0.0	0.0	2.0
<u>Efficiency/Cost-Effectiveness Indicators</u>			
• Annual cost per detainee/sexually violent person in the TDF (in dollars)	\$ 81,000.00	\$ 84,000.00	\$ 79,897.00
